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Special Report: SEYCHELLES INVASION

CovertAction
INFORMATION BULLETIN

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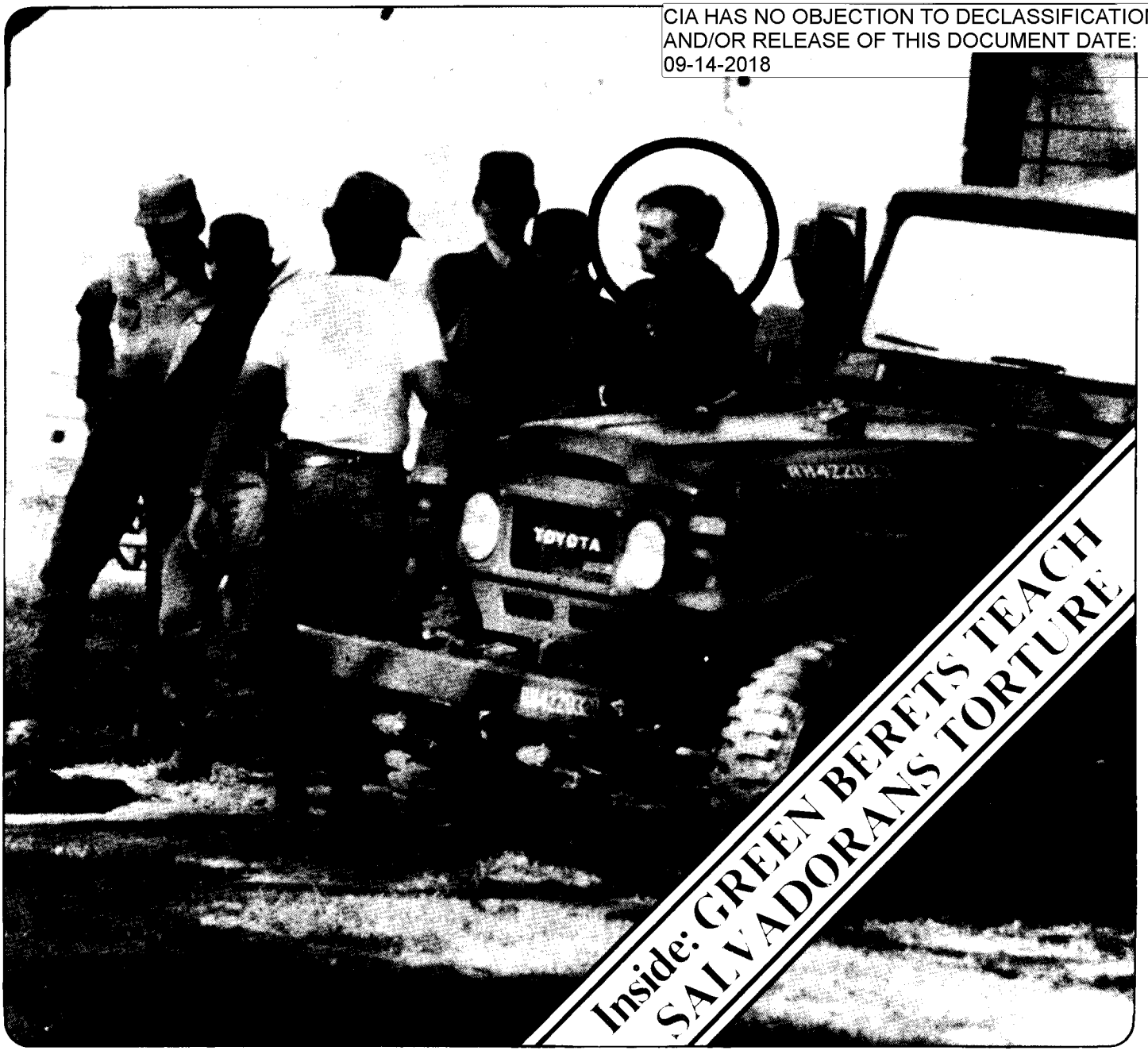

Inside: GREEN BERETS TEACH SALVADORANS TORTURE

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Editorial

The morality of U.S. foreign policy continues to plummet. The Reagan administration snuggles up to the most vicious and repressive regimes in the world. The brutal junta in El Salvador is in its death throes while the U.S. stuffs millions into its coffers. With bloody hands, the government has the effrontery to assert that "progress" is being made in the field of human rights there. And it embraces other such regimes, like the racist South African.

Secrecy and Deceit

The political climate can be summed up briefly: secrecy and deceit both at home and abroad. President Reagan has issued his Executive Order on United States Intelligence Activities which, among other evils, unleashes the CIA within the United States, subjecting people here to the same surveillance, infiltration, manipulation, and dirty tricks which have plagued the rest of the world—especially the Third World—for the last 35 years.

In response to objections suggesting that the CIA is far better trained to break the law than to uphold it, Director Casey has demanded immunity from prosecution for his minions. CIA officials brazenly called for the authority to "maintain our capabilities to do the kinds of things we do abroad." One Justice Department official called the proposal "harebrained;" we would suggest that "hair-raising" is more apt.

Along with an upsurge in covert operations, the trend toward greater secrecy continues. The President issued a second Executive Order, on classification of documents, which completely reverses a 25-year trend toward greater openness in government. The public's right to know has been sacrificed in the name of national security.

Domestically, decades of social programs are meeting their deaths at the same altar; every budget is slashed but that of defense. The administration replaces every helicopter blown up in El Salvador with money taken from the pockets of the poor.

The Intelligence Identities Protection Act

A word is in order about the so-called "Names of Agents Act." To our surprise, the bill was not approved by the Senate in the last session, and has not yet come up in 1982. Because it is certain to pass in some form soon we have adhered to our announcement last issue to suspend the *Naming Names* column for the time being.

About This Issue

The bulk of this issue is devoted to the themes of mercenarism and state repression, both of which are exemplified by South Africa. Not content to suppress savagely the aspirations of the vast majority of its own people, it sends armies into Angola and terrorists into Mozambique, and connives to invade the Seychelles with a ragtag band of veteran mercenaries, the dogs of war.

The Reagan administration's open admiration for the South African regime is matched only by its warmth for any Latin American dictator with just enough brains to be able to say "anti-communist." In this issue we look at institutionalized torture by Argentina and by El Salvador, the latter with direct U.S. guidance and participation. And we examine the rabid desire of the administration to

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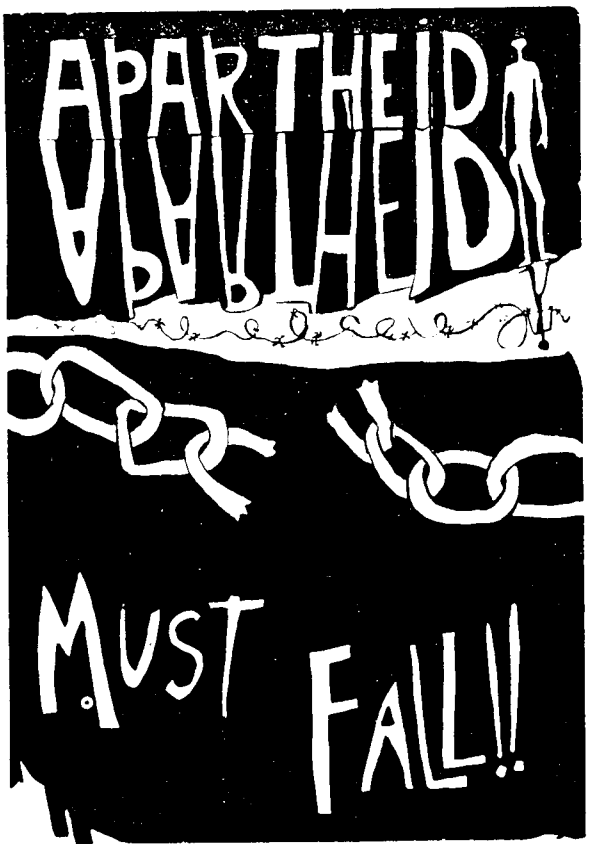

destabilize Cuba, Nicaragua, and Grenada. Secretary Haig's "continental approach" could spell disaster for the people of this hemisphere. Indeed, *CAIB* has learned that the CIA has been given a specific order to topple the Sandinista government of Nicaragua in less than two years.

As we went to press, a report in the February 14 *Washington Post* confirmed many of the observations which appear in this issue. "Informed sources" have disclosed a CIA proposal for "a secret $19 million plan to build a broad political opposition to the Sandinista rule in Nicaragua, and to create 'action teams' for paramilitary, political operations and intelligence gathering in Nicaragua and elsewhere."

The report also noted that Argentina may be training up to 1,000 men for these activities. Sources also confirmed that the U.S. is supporting and advising the anti-Sandinista forces in Honduras.

We also are pleased to publish an in-depth analysis of psychological warfare on CIA media operations in Chile, Jamaica, and Nicaragua. We conclude the report on the complex plot to invade Dominica. And we present a study of the machinations of the now defunct Nugan Hand Bank of Australia, a major financier for CIA-related operations.

Housekeeping Matters

First, we apologize to all our subscribers and supporters for the lateness of this issue. We hope that its size and contents will make up for the delay. However, we have come to realize (after nearly four years) that our intentions to publish every two months do not allow us to do justice to the subjects we cover. We cannot realistically publish issues as large as this one under our current subscription schedule, and are considering a change to quarterly, double-issue format. We would like to hear from our readers about this, and any other suggestions you might have.

One Sad Note

We cannot close without noting, with sadness and anger, the jailing of David Truong, a staunch opponent of U.S. intervention in Vietnam who went on to involve himself in many of the progressive struggles in this country. He was victimized by a paid CIA/FBI informant and was subjected to intensive unconstitutional surveillance, telephone tapping, and mail opening, actions upheld in an unprecedented decision.

The Carter administration charged him with being a "spy;" his real crime was that he had the audacity to think that the war was over and that relations between the two countries should be normalized. David is one of the first — but certainly not the last—to feel the weight of the Reagan administration's national security state.

People interested should write to: Vietnam Trial Support Committee, 1322 18th Street, NW, Washington, DC 20036.

About the Cover

U.S. "adviser," circled, instructs Salvadoran soldiers in methods of war. (See page 17 for interview with Salvadoran deserter on Green Beret torture instruction.) This photograph was taken secretly and was first published in *Soberania*, the magazine of the Central American Anti-Imperialist Tribunal in Managua. Subscriptions, in the U.S. and Europe, are U.S. $30; write to *Soberania*, Apartado 49, Managua, Nicaragua Libre.

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The Indian Ocean:

Seychelles Beats Back Mercenaries

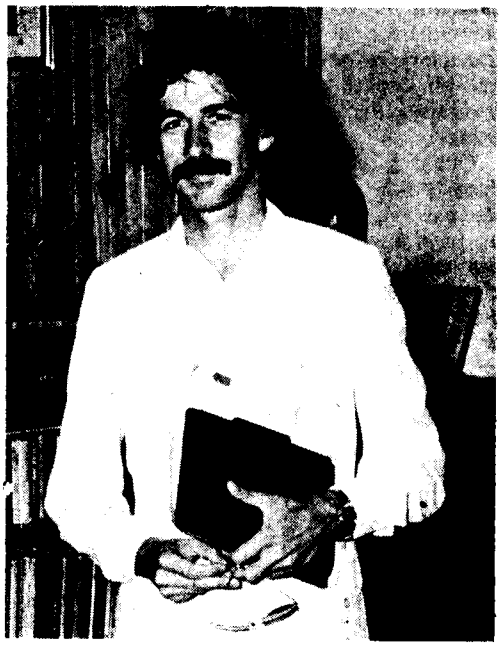
By Ellen Ray

The United States defines the "trouble spots" of the world through official foreign policy statements. This is often a U.S. intelligence tactic which allows entire geopolitical areas of the world to escape close scrutiny. The U.S. media continually fall prey to this maneuver. Thus events in Poland, for example, become "the news" while significant covert actions of far more strategic importance may be employed elsewhere without much risk of detection.

Such inattention has been the fate of the Indian Ocean, even though it has been described repeatedly as perhaps the most strategic area in the world. Recent events, culminating in the abortive invasion of the Republic of the Seychelles in November, suggest that the U.S., South Africa, and other Western allies are deeply involved in a massive scheme to manipulate developments covertly throughout the Indian Ocean area.

The Indian Ocean is bordered by some 40 nations containing the world's richest known deposits of fuel oil and minerals. It controls the Persian Gulf sea lanes crucial to the West. At the same time, an increasing number of Indian Ocean nations are moving toward socialism and are active members of the Non-Aligned Movement; India, Tanzania, Mozambique, Madagascar, and the Seychelles have led a struggle to demilitarize the Indian Ocean and have it declared a nuclear-free zone of peace. There is, however, one major military installation in the middle of the Indian Ocean—Diego Garcia—and it is controlled by the U.S. The Pentagon is committed to expanding its facilities in Diego Garcia, making the huge air and naval base under construction there the largest overseas U.S. base.

For obvious reasons the U.S. is unhappy about the political trends in the area. Two of Diego Garcia's nearest neighbors (though they are each more than a thousand miles away) are the Seychelles, with a socialist government, and Mauritius, whose pro-Western government is widely expected to lose to the socialist opposition in elections which must be held in the first half of 1982. U.S. preoccupation with Mauritius is all the more significant because Diego Garcia is in fact a dependency of that country. In 1965, three years before Mauritius became independent, the United Kingdom leased Diego Garcia to the United States, rent-free, for 70 years. The socialist opposition, the Mauritius Militant Movement (MMM), has relentlessly attacked this agreement. MMM General-Secretary Paul Berenger has affirmed that his party, if elected, will challenge the validity of the lease agreement under which every Mauritian on Diego Garcia was forcibly removed to the main islands, all grossly under-compensated for their losses. The Seychellois government of President France Albert Rene has vigorously supported Berenger's position.



Credit: Afrique-Asie

MMM's Berenger is seen as threat to U.S. control of Diego Garcia.

Mauritius and the CIA Covert Action Flap

In August 1981 Mauritius was briefly in the U.S. news in a context which begins to explain the complex scenario that follows. On July 25 the *Washington Post* reported that members of the House Intelligence Committee, in an unprecedented move, wrote directly to President Reagan expressing their concern over a plan outlined to them by then CIA Deputy Director for Operations Max Hugel. Though the Congressional "oversight" committees do not have the power on their own to approve or disapprove CIA covert operations, federal law obliges the CIA to inform them, at least in broad outline, of major secret proposals. Hugel's briefing disturbed both Republicans and Democrats on the

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Committee enough to drive them to put their objections in writing to the President. The plan was described variously in subsequent leaks as "a covert action in Africa," "a covert scheme aimed at overthrowing a foreign government," and "a plot to assassinate a foreign leader in Africa."

On July 26 *Newsweek* magazine reported that the plan involved in action—perhaps assassination—against Libyan leader Muammar Qaddafi. Two days later a White House official, probably then national security adviser Richard Allen, leaked the information that the plot was actually directed against Mauritania, not Libya. Finally, when the government of Mauritania demanded an explanation, U.S. officials "clarified" the matter in an admission to the *Wall Street Journal* which went largely unnoticed: the target of the plan was really Mauritius, not Mauritania. To underscore this "final word" on the affair, an administration source told the *Washington Post* for its August 15 edition that the confusion had come about because of the similarity in the two countries' names, and that in any case the plot "did not involve cloak-and-dagger action but was mainly a quiet effort to slip money to the government there to help counteract financial aid being supplied to forces opposing the government by . . . Qaddafi."

The Real Plot

CAIB's investigations suggest that the third explanation was no more valid than the first two, except to pinpoint the area of the world being targeted. For one thing, it is inconceivable that "slipping" some funds to a friendly leader facing a difficult election—a commonplace CIA operation—could generate such unheard of Congressional objections. Indeed it is unlikely the CIA considers such routine payments worthy of reporting to the oversight committees. The original leaks indicated that the House Committee was appalled by a plan, broad in scope, "which they felt was not properly thought through." Countering Qaddafi's influence, in fact destabilizing his government, was already overt U.S. foreign policy.

But the Indian Ocean is another matter. The papers and the newsmagazines focused on CIA disinformation which threw them off the scent. None of the media looked beyond Mauritius; none explained that the MMM is likely to come to power despite any secret funding to the government and that the MMM does not need any Libyan financing to succeed. Sir Seewoosagur Ramgoolam, 81, Prime Minister of Mauritius since independence in 1968, is highly unpopular. In the 1976 elections, the MMM won more seats in Parliament than any other party, and had 40% of the popular vote, but Ramgoolam formed a hasty coalition to stay in power. Now the MMM and the Socialist Party have formed a coalition for the upcoming elections which most observers believe cannot be beaten.

Ramgoolam paid an official visit to Washington October 13-16, visiting the World Bank, the IMF, the State Department, and President Reagan in a quest for overt aid for his beleaguered government. On the surface, the visit was a total failure; all funding requests were turned down. According to the State Department's East Africa desk officer, many projects were discussed, but nothing was resolved. Of course, since the White House itself was leaking details of plans for covert funding, it would be impolitic to announce at the same time plans for open aid. Yet when Ramgoolam returned to Mauritius, he called President Reagan "the greatest President of the greatest country," high praise indeed for someone who did not give him a dime. This of course raises the question: What deals were really made?

U.S. Involvement in the Seychelles Invasion?

Since the Mauritius Militant Movement is not yet in power and thus cannot be overthrown, the objections of the House Intelligence Committee must have focused on a broader plan for the region. What would surely have upset them was a half-baked scheme involving the CIA, the South Africans, and a ragtag band of macho mercenaries, plotting not merely to destabilize the MMM but to overthrow their most vocal supporters, the government of President Rene of the Seychelles, a chain of tiny islands with a population of about 62,000.

This would not be the West's first attempt to rid the Indian Ocean of President Rene and his militantly nonaligned government. In 1979, in fact, another plot was

Credit: Afrique Asie

President Rene continues to be target of U.S.-and South African-inspired destabilization.

uncovered, resulting in the expulsion from the Seychelles of several of the 120 American civilians employed at what the U.S. Air Force describes as a "satellite tracking station," on the main island, Mahe. (For economic reasons, the Rene government allowed the station to remain, after renegotiating a more equitable lease last year.) According to Colin Legum, Africa correspondent for the London

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Observer, the U.S. Ambassador to Kenya and the U.S. Charge d'Affaires in the Seychelles were also implicated in the 1979 plot.

In the recent attempted overthrow, a number of sources indicate that the planned invasion of the Seychelles, though it did not occur until November, was widely known at the time the Committee's letter to Reagan was written.

The September 1981 issue (published in August) of *American Relations*, the Washington newsletter of the right-wing Institute of American Relations, carried a brief item entitled, "A Coup in the Seychelles?" With prophetic certainty, the story stressed U.S. concern over the "Marxist-oriented" Seychelles because "the United States does not want an unfriendly power astride such important sea lanes."

"Look for trouble in the Seychelles in the coming months," the magazine concluded.

The Institute of American Relations is a small think tank created and nurtured by Senator Jesse Helms, acknowledged leader of the New Right in Congress. The Institute's Director is Dr. Victor A. Fediay, a Russian emigre who, according to the November 1978 *Boston* magazine, spent twenty years working for a secret Air Force intelligence program called the Aerospace Technology Division. As an aide to Senator Strom Thurmond in 1975, Fediay was the Washington liaison for an international cartel comprising Azorean businessmen, American Mafia figures, and French mercenaries who openly lobbied the U.S. government and the CIA for military support for a proposed *coup* against Portuguese rule in the Azores. The military aspects of the *coup* were planned by the right-wing French paramilitary Secret Army Organization (OAS). Since the CIA was, at that time, under intense criticism, President Ford apparently vetoed the plan. Some months later, however, in January 1976—according to *Mother Jones* magazine (September-October 1980)—Richard Allen reintroduced the plan in a letter to Henry Kissinger. Allen, later Reagan's national security adviser and now a consultant to the Foreign Intelligence Advisory Board, was representing fugitive financier Robert Vesco at the time.

The Azores *coup* would have given the U.S. complete control over its Air Force base there, a benefit not overlooked by Fediay and his boss Thurmond. In the current Seychelles situation the stakes are even higher and the administration not so hesitant.

The Recruitment

Recruitment for the Seychelles invasion of November 25 proceeded apace during the summer and fall. *Gung Ho*, a mercenary magazine which competes with *Soldier of Fortune*, ran an article in its May 1981 issue entitled, "Mercenary Opportunities East of Suez." It extolled the benefits and possibilities of a "dogs of war" invasion of the Seychelles and Mauritius, noting former Seychelles Prime Minister James Mancham's support for such an action. Mancham, who lives the life of a rich playboy exiled in London, has been implicated deeply in the preparations for the invasion.

According to the Johannesburg *Sunday Times* (November 29, 1981) Jim Graves, managing editor of *Soldier of Fortune* told their reporter, "I heard four months ago from a source in France that something big was going to blow up in Africa." Graves assured the reporter that his visit to South Africa two days before the invasion was purely "coincidental."

The London *Sunday Times* of the same date noted that the recruitment had apparently begun some 18 months before in South Africa, and that "something big became the gossip of Durban bars." The same day the London *Observer* pointed out that "recruitment offers were made fairly openly in bars." Even Eschel Rhoodie, the former South African Information secretary, told the *Observer* that "he had heard about the planned *coup* from French and British sources four weeks ago." Robin Moore, author of "The Green Beret," and a favorite celebrity of the mercenary magazine crowd, told the Johannesburg *Sunday Times* that "shares" in the $5 million Seychelles operation had been offered around the U.S. for months preceding the invasion. "I was trying to get people to invest in it," he said. (Moore did not make this admission to any U.S. media, to whom he only said he thought the plan was crazy. The statement to the Johannesburg paper would seem grounds for prosecution under the U.S. Neutrality Act, although in recent years that law has almost never been enforced against mercenary activities in this country.)

Who Paid?

Moore's claim aside, much reportage of the funding for the Seychelles operation appears riddled with disinformation, "red herrings" to mask the real sources of financing. But the respected London *Financial Times* of November 27 quotes the Johannesburg *Star*, saying "the mercenaries had been recruited in Johannesburg with money from the U.S." The Durban *Sunday Tribune*, November 29, said, "Despite a terse, one-sentence denial by the U.S. government yesterday, separate mercenary sources in South Africa are emphatic that funding for the operation originated with the CIA." Continuing, the *Sunday Tribune* points out that "their statement is backed up by former Rhodesian mercenaries, who as recently as a month ago spoke of a planned CIA-backed operation in the Indian Ocean 'like Bob Denard's invasion of the Comoros Islands.'"

This is rather more likely than the story in a London gossip column (picked up by the *Washington Post*) quoting a British socialite who contributed $9,000 for the *coup* because the Seychelles "was running out of decent Chablis."

The French Connection

It is significant that several news sources reported hearing of the plan in France. French mercenaries, most notably "Colonel" Bob Denard, figure prominently in the Indian Ocean region. Denard led the 1978 invasion which installed the right-wing government in the Comoros and was implicated in the 1979 plot to invade the Seychelles, a plan which was discovered by the Rene government before the mercenaries were able to leave Durban. Denard today shuttles back and forth between the Comoros, Kenya, South Africa, Gabon, and France; he heads Socovia, an air freight service which ostensibly delivers meat.

As the Seychelles plot unfolds, the Comoros/Kenya connection remains one of the biggest mysteries.

Several other incidents in the fall of last year may relate directly to French involvement, or at least Denard's. In September, exiles from the Comoros in Paris charged that

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South Africa was behind the planning of a military invasion against either the Seychelles or Madagascar, another Indian Ocean nation with a progressive government. Though the charge was vague, a former Congo mercenary, apparently connected to Denard, was supposedly equipping an expedition to the Comoros, but absconded with the funds to Mombasa, Kenya when an investigation into the expedition was launched.

More substantial evidence is found in the October arrest of Olivier Danet in Paris. Danet, a former French volunteer in the Rhodesian army, had taken part in Denard's invasion of the Comoros, and more recently had been a bodyguard for then French President Valery Giscard d'Estaing. He was arrested with Captain Paul Barris, deputy commander of France's elite anti-terrorist group, and six others, all charged with smuggling light arms into France from Belgium, "arms believed to be destined for an extreme right group," according to the October 13, 1981 *Rand Daily Mail.*

The Comoros Mercenaries

The Comoros, the only mercenary-run government in the world, figures prominently in the recent invasion. The plane which brought the attackers from Swaziland to the Seychelles had stopped there for half an hour. According to the Royal Swazi Airline pilot, "there is a bit of mystery . . . whether anyone joined the aircraft there and flew to the Seychelles." The January 1982 issue of *Afrique-Asie* magazine claims that five Europeans and several crates labelled "gifts for handicapped children" went on board during the stopover.

When the Comoros obtained independence from France in 1975, Ahmed Abdallah ruled briefly as President. He was deposed and a progressive government under Ali Soilih took power until 1978, when it was ousted in the mercenary invasion led by Denard. The mercenaries reinstalled Abdallah, but effectively ran the country. Olivier Danet, in fact, served a few months as Justice Minister; "Major Charles" heads the Presidential guard; and Christian Olgater, another mercenary, controls the national shipping line. Virtually all other aspects of the country's economic and political life are so controlled. Though Denard has been forced, by pressures from the Organization of African Unity (OAU), to spend little time in the Comoros, he owns, with Abdallah, about 60% of the local posts and telecommunications monopoly, STICOM. President Abdallah periodically denies that he is under the influence of the mercenaries, particularly Denard, but all independent reports are to the contrary.

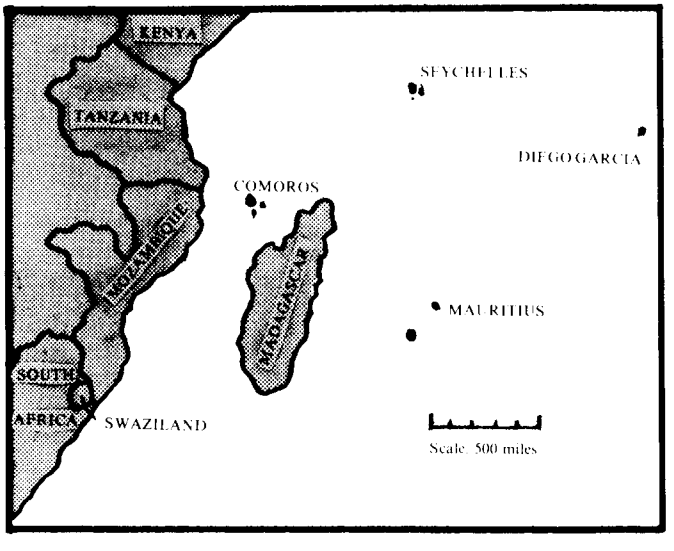
The Comoros have significantly increased their links with neighboring South Africa recently, reportedly through negotiations carried out by Denard. In mid-1981 the Comoros signed a secret agreement with the South African government allowing the latter to construct a major telecommunications earth station on Grand Comoro, in exchange for economic aid. Pretoria is also in charge of the expansion of Radio Comoro, and reports have circulated that the United States has also installed a radio communication station there. Additionally, there are reports that a joint U.S.-British deep water research team is in fact based at a large mercenary camp at Kandaani, Grand Comoro. (It is known that the Mozambique Channel includes some very warm currents which pass over very cold water, a condition which makes it difficult to detect submarine movements.)

A delegation of French journalists recently visited the Comoros in an attempt to interview the mercenaries, but they could not be found. Apparently they are maintaining a very low profile. The journalists did learn, however, that Denard was in the Comoros at the time of the invasion of the Seychelles, arriving from South Africa on November 19 and departing on December 8.

The Invasion

Despite minor discrepancies in the many accounts of the incident, a fairly clear picture of what happened can be pieced together. Most difficult, however, is a precise accounting of the individuals involved, because of inconsistencies in names on travel documents and uncertainty whether the South African authorities released the names of all persons who ultimately escaped to that country.

On November 24 a group of 44 men pretending to be members of a fictitious drinking club, The Ancient Order of Foam Blowers, boarded a Swaziland-bound bus at Johannesburg, en route to a Seychelles vacation. They spent the night at a Holiday Inn in Transvaal where, according to some reports, two women also bound for the Seychelles checked in. The next day the entire group reached the Swaziland airport and boarded a Royal Swazi Airlines plane bound for the Seychelles via the Comoros. At the Comoros the two women left the plane, although the pilot later recalled that he thought a man and a woman had disembarked. Moreover, if the unconfirmed reports of five other men joining the flight at the Comoros are true, it is possible that the original group numbered 39, rather than 44.



South African reports suggested that the two women "warned" the Seychelles authorities of the impending arrival of the mercenaries, but considering the ensuing melee at the Seychelles airport this seems unlikely, and the precise role of the two women is unknown.

The plane arrived at the Seychelles in the late afternoon on November 25. Waiting at the airport were six of at least eight confederates who had arrived on the island over the

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preceding several weeks to reconnoitre. Some of them were apparently armed, and all of the arriving mercenaries had weapons hidden in their luggage, under packages of toys marked "presents for handicapped children." These included rockets and rocket launchers, machine guns, rifles, and grenades.

It is clear, both from the manner of the entry and from subsequent investigations and confessions, that the attack was not planned for the arrival, but for some weeks in the future. The mercenaries expected to leave the airport with their arsenal and move in with the advance team which had rented villas in the mountains near the U.S. tracking station. Indeed many other weapons were subsequently discovered packed up at a villa.

As the new arrivals passed through customs, however, a sharp-eyed inspector discovered a hidden weapon. Within a short time the others removed weapons from the baggage and a battle ensued which ultimately destroyed much of the airport and demolished the Royal Swazi plane. The mercenaries finally took over a large part of the airport, including the control tower and some adjoining facilities. They also took 70 people hostage—airport personnel, other passengers, and some people captured just outside the airport.

Seychellois security forces ringed the airport, and prevented some of the mercenaries from taking over a nearby military installation; one soldier was killed in the defense of the fort, and another at the airport. Although the mercenaries were surrounded, the authorities refrained from immediate action because of the many hostages. Fortunately for the invaders, a regularly scheduled Air India plane approached the airport some five hours after the standoff began. The mercenaries, who were in possession of the control tower, guided the plane down, pretending that nothing was amiss. The Seychellois, who controlled one end of the runway, tried to warn the plane not to land by setting off flares, but this was not understood by the Air India pilot. In landing, one of the plane's wingflaps was damaged by a vehicle put on the runaway by the Seychellois to discourage him. It is unclear how the Air India pilot was convinced to land at all.

After some four hours of sporadic shelling and crossfire—which further devastated the airport—and negotiations with the Air India pilot, he was forced to agree to fly to Durban, South Africa. At least 42 of the invaders and 2 members of the advance team, one of them wounded, entered the plane under cover of darkness, carrying the body of another invader who had been killed in the initial shootout. Three heavily armed members of the advance team remained, guarding the hostages. At this point, one of the new arrivals and one of the advance team were unaccounted for.

By dawn, some of the hostages managed to escape and reported that the ranks of their captors had been drastically reduced. The Seychellois, until then unaware that almost all of the invaders had left on the Air India plane, rushed the facilities and captured the three men guarding the remaining hostages without incident. Shortly thereafter the missing member of the advance team which had come to the airport was captured. Later the two who had remained at the villa were arrested, but it was only two weeks later that the one missing mercenary who had arrived on the Royal Swazi flight crept, half-starved, out of the woods and was arrested. One local Seychellois contact was also arrested.

The Mercenaries

Many days passed before the true identities of the mercenaries came to light from flight manifests, travel documents, confessions from the captured, and belated statements from the South African government. The South Africans had held the Air India arrivals incommunicado and released no details or names for some time.

The leader of the landing force was none other than Mike Hoare, 62, Irish-born resident of South Africa. "Mad Mike" Hoare had been a key mercenary in the Congo in the 1960s, leading the forces which suppressed the supporters of Patrice Lumumba and helping to install Mobutu. Hoare had worked off and on with both the CIA and the South Africans for years.

Aging mercenary Mike Hoare: End of Dog-of-War era.

Second in command was "Captain" Peter Duffy, another Congo veteran who had served with Hoare. The man who hid in the woods for two weeks was Jeremiah "Josh" Puren, who had fought with Hoare in the Congo and had served as an aide to Katangese secessionist leader Moise Tshombe. Puren was a South African Air Force veteran, reported to be an active member of South African military intelligence.

There were two Americans involved, both of whom made it to Durban: Barry Gribben and Charles Dukes, the wounded member of the advance team. But most interesting was the discovery that more than half of the group were South Africans, most of them active or reserve members of the "Red Devils," an elite reconnaissance commando group. According to the *Financial Times*, the Red Devils were linked to raids into both Mozambique and Angola last year.

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"Red Devils" commander Chris Hillebrand, one of defeated mercs, training at South Africa Combat School.

The member of the advance team captured shortly after the hostages were freed turned out to be Martin Dolinchek, an active-duty member of South African intelligence, NIS (formerly BOSS). Dolinchek, who subsequently confessed in great detail and gave numerous interviews to the press, said he was on leave from NIS, although the South Africans tersely stated that he had quit. His testimony deeply implicated the South African government. His false passport had been duly issued by the passport division of the Durban Department of the Interior. He admitted that he had arranged for Mike Hoare's false passport through the same office. Dolinchek also said that he and Robert Sims, Mike Hoare's brother-in-law, arrested at the villa, had tested the weapons packed for the operation at a Durban airport in broad daylight. Dolinchek had been scouting the island for nearly a month with Sims and his colleague, Susan Ingles. She had been in charge of finances, apparently spending large sums throughout the island.

South African Reaction

When, several days after the mercenaries landed at Durban, the South African authorities finally reacted, to the astonishment of most of the world, they released 39 of the 44 men with no charges, and charged five, including Hoare, with the relatively minor offense in South Africa of kidnapping. They were immediately released on very low bail.

International reaction was swift and vitriolic. South Africa has been a strident vocal opponent of "terrorism," including air piracy, and is a signatory to several international conventions on hijacking. The South African law is very strict, with a mandatory five-year minimum sentence and possible 30 years' imprisonment. There is no minimum for kidnapping. International pressure was overwhelming, and on January 5 the entire group of 44 was charged with air piracy.

There is an unexplained discrepancy in the figures, however. South Africa originally announced that 44 mercenaries had been detained upon landing in Durban, but the January 5 announcement by the provincial Attorney General spoke of 45 warrants.

There are already indications that the new charges may be a sham. South African legal authorities have commented that the international conventions, and South African law, define hijacking as a taking over of a plane after the doors have been closed for takeoff. If the decision to take over the plane, even by force, was made before boarding it, they say, this would not constitute air piracy, but a "political crime" committed on Seychellois soil. Since South Africa has no extradition treaty with the Seychelles, serious prosecution of most of the offenders may be illusory.

The Role of James Mancham

One of the many loose ends in this affair is the role of former President James R. M. Mancham, the man deposed by Albert Rene in 1977. Mancham was on a lecture tour of the United States when the botched invasion occurred, speaking on "The Struggle for Power in the Indian Ocean." When the wreckage of the airport was cleared, two partially burned tape recordings were found, containing messages from Mancham to the people of the Seychelles in which he offered to accept an "invitation" to resume the presidency and "help the country in the national task of restoring democracy." Faced with this evidence, Mancham admitted to reporters that he had been approached in September by "dissident Seychellois" who asked him to make some tapes for use in an impending *coup*. However, Martin Dolinchek told Seychellois authorities that Hoare had described to him a September meeting with Mancham in London, and other mercenaries reported that Hoare spoke often of Mancham, saying that he would be "a figurehead" after the takeover, suggesting a Comoros-type regime.

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It is impossible to believe that Mancham knew nothing of the actual plot. He has always been close to South Africa, and during his presidency was sharply criticized for providing Seychelles passports for South Africans to aid their travels in the rest of Africa.

South Africa and the CIA

What most strains credulity are the official South African assertions of total ignorance. Open recruitment had been taking place in South Africa for at least eighteen months. Everyone in mercenary circles in South Africa, France, and the U.S. seemed to know about it. Rumors were printed in magazines and newspapers on three continents. Sims and Dolinchek strongly suggest South African complicity, and Air India passengers reported that the mercenaries who took over their plane talked openly on the trip to Durban of the South African government role.

It is also difficult to believe that the CIA was not aware of, if not deeply involved in, the plot. Interest in the Indian Ocean is intense, and, as noted above, the CIA has in the past manipulated affairs in both the Seychelles and Mauritius. Moreover, the evidence is strong that the House Intelligence Committee—as well as many right-wing organizations in the U.S.—had some idea of the machinations under way.

In an ironic twist, Prime Minister Ramgoolam of Mauritius accused the Seychelles on December 5 of seeking to overthrow his government by "actively promoting destabilization" there. With the Seychelles still reeling from the invasion and attempting to shore up defenses against further threatened attacks, this complaint was surely a diversion, perhaps part of Ramgoolam's faltering reelection campaign.

In fact there are recent reports out of South Africa that Mike Hoare met with Bob Denard in Durban in mid-December to discuss a second invasion. It is unclear whether this is only South African disinformation to increase the justifiable nervousness of the people of the Seychelles.

Was Kenya Involved?

A more difficult question relates to the possible official involvement of Kenya in the plot. Dolinchek told his captors: "A new government was to be flown in from Kenya. The Kenyan government agreed to provide two airplanes which were to fly in Kenyan soldiers and police to replace Tanzanian troops which were believed to be in this country. Colonel Mike Hoare said the whole thing would be a pushover."

The Kenyan government was silent for 20 hours after this statement was reported, and then vigorously denied any involvement and insisted that Dolinchek was lying. It is impossible at this time to know whether Dolinchek's claim was anything more than subtle disinformation, an obvious difficulty in interrogating a trained intelligence officer, whose mission might well be to sow the seeds of dissension among other African countries.

But Kenya is not a close friend of the Seychelles. Its policies are decidedly pro-Western. Huge military facilities have been granted the U.S. at the Kenyan port of Mombasa. Though Kenyan President Daniel Arap Moi is current head of the OAU and claims to abhor mercenarism, he allows one of the largest CIA stations in Africa to operate out of Kenya. Moreover, Kenya was implicated in the 1979 plot against the Seychelles.

Conclusion

Several facts emerge from the many reports of this mean adventure, from which some observations can be made. They should be viewed in light of the fixation of the United States with the Indian Ocean and its paranoia over "threatened" sea lanes. As President Rene observed, "Our commitment to socialist development, coupled with the strategic geographical location of our islands in the Indian Ocean make us prone to such ruthless maneuvers of destabilization and aggression."

Events in the Indian Ocean region raise some parallels with U.S. activity in the Caribbean Basin. There, too, there are expressions of concern over sea lanes, and there, too, mercenary activity is encouraged. Cuban exiles and Somocista fugitives play the role that South Africans fill in Southern Africa and the Indian Ocean. (In fact, U.S. military maneuvers were taking place in the Caribbean and in North Africa during the months and weeks preceding the Seychelles invasion.)

It seems clear that both South Africa and the United States knew of, and condoned, the plan. Beyond the admittedly unreliable braggadocio of mercenaries interviewed in the press, the circumstantial evidence is strong. Most significant is financing. Estimates of the cost of the Seychelles operation range between two and five million dollars, and it is inconceivable that such a sum was raised by a handful of dissident Seychellois exiles, or society types looking for a thrill. The alleged CIA funding of the ruling party in Mauritius may well have been a cover, in part, for some of this money.

Moreover, the close relationship between the Reagan administration and Pretoria cannot be underestimated. The U.S. and South Africa are openly exchanging information and plans, as they connive to block SWAPO's relentless path to true independence for Namibia, and as they plot the brutal destabilization of Angola, Mozambique, and Zimbabwe. Toeholds in the Comoros and Mauritius—and, they hope, in the Seychelles—secure the perimeter of Southern Africa as they counter socialist development in the Indian Ocean.

More information will surely come to light. On December 15 the U.N. Security Council unanimously agreed to send a commission of inquiry to the Seychelles to investigate the invasion and report back. Every member of the Security Council except the U.S. was enthusiastic in its condemnation of mercenarism. Jeane Kirkpatrick suggested that sending the mission was assuming that the "Seychelles affair was not purely internal," which was "prejudging the situation." This is a preposterous statement, considering that the 52 armed mercenaries, led by Mad Mike Hoare, recruited, funded and supplied under the noses of the South Africans, were hardly a group of dissident Seychellois.

In addition, although little is expected to come to light from the trials, if any, in South Africa, those to commence shortly in the Seychelles may explain much more of this strange episode.

Whether the House Intelligence Committee or anyone else will call for greater scrutiny of the U.S. role remains to be seen. ■

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Angola: Pretoria's Continuing War

South Africa's relentless war against Angola has escalated dramatically over the past several months. In August and again in November, Cunene Province in southwestern Angola was devastated by massive, weeks-long South African attacks. Invading forces advanced over 150 miles into Angolan territory with more than twice the number of troops deployed in the 1975-76 South African invasions.

Coverage of these events has removed any lingering credence given to South Africa's contention that its "raids" into Angola are limited incursions aimed at military bases of the South West African People's Organization (SWAPO). In fact, the scope of the war is vast, the battle is non-stop, the targets are primarily Angolan towns and villages, and substantial areas of the Angolan side of the border with Namibia have been openly occupied by South Africa. The myth nurtured by Pretoria that much of the fighting has been conducted by UNITA forces is no longer even peddled.

Operation Protea

The first major escalation, Operation Protea, began on July 28, 1981, and by September 5 most of the southern part of the province, including the key towns of Xangongo and Njiva, was occupied by South African Defense Force (SADF) troops. As in previous major confrontations, the Angolan army, FAPLA, held its own in the head to head ground fighting, but was overwhelmed by the massive air and artillery support which poured in whenever the SADF advance faltered. Whole towns and villages in the region were leveled. Journalists who reached the area on September 5—and were bombed by South African fighter

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planes—confirmed the reports of wide-spread civilian casualties and the destruction of non-military targets. The planes, they said, were attacking "anything that moves."

The invasion and occupation were the subject of a Security Council debate at the United Nations, and the U.S. veto was the only vote against condemnation of South Africa. Chester Crocker, Assistant Secretary of State for African Affairs, commented, "The Reagan administration has no intention of destabilizing South Africa to curry favor elsewhere." Crocker defended the veto as an expression of American "neutrality." The U.S. position, which amounted to open support for naked South African aggression, was a clear signal to Pretoria. "We are grateful that America has shown a sense of balance about the Angolan 'invasion' issue," wrote the *Citizen*, an English-language Johannesburg paper closely linked to South African intelligence.

South Africa insisted that its operations were directed against SWAPO, but it was obvious that the primary purpose was to bolster the sagging fortunes of UNITA, an explanation supported by a September 14 London *Times* analysis. The *Times* Johannesburg correspondent noted that UNITA forces were moving into the territory occupied by South Africa from their sole stronghold, desolate Cuando-Cubango Province, to the east of Cunene. "Informed observers here," he reported, "believe that the scale of the South African incursion was part of a longer-term strategy aimed at developing UNITA into a proxy force which could police a broad swathe of territory along Angola's southern border."

Operation Daisy

During September and October SADF positions were shuffled, with some occupied areas abandoned and others fortified. Then, on October 27, another massive attack was launched—Operation Daisy. This battle raged for three weeks, and was reported daily by the Angolan authorities. It was not until December 7, however, that Pretoria confirmed the reports. South African journalists, who were aware of the operation, were prohibited by law from mentioning it until that time.

Operation Daisy involved fighting from 100 to 150 miles inside Angola. As Joseph Lelyveld reported in the *New York Times* (December 8, 1981), "Each subsequent attack has carried South African forces deeper into Angola."

Finally, on November 30, in a vicious act of sabotage, the Petrangol oil refinery in Luanda was bombed. South African equipment was found at the scene, as well as material in Afrikaans. Most significantly, the sabotage operation had been conducted by white mercenaries; several white bodies were found, apparently the result of a premature explosion which, fortunately, halted the bombing before the refinery complex was totally destroyed.

An ecological disaster was narrowly averted through the heroism of Angolan refinery workers who rolled away thousands of barrels of lead tetraethyl from blazing storage buildings. Had this toxic additive been vaporized, a Belgian refinery official noted, "an enormous poison cloud could have enveloped Luanda, had the wind blown the wrong way."

UNITA Claims

The day after the explosion Jonas Savimbi of UNITA, who was in New York at the time, claimed credit for the sabotage. Western diplomatic observers, however, agreed that the saboteurs were South African mercenaries, and whether or not they were nominally acting for UNITA, it was clear that South Africa trained them, supplied them, and sent them on their mission. Moreover, there was speculation over the manner of arrival of the mercenaries. At a press conference while the fire was still being fought, the Angolan oil minister suggested that the mercenaries might have come by South African submarine. A similar charge had been leveled by Mozambique at the time of the attempted mining of Beira harbor. Interestingly, only two days before the attack on the refinery the South Africans had relaunched one of the navy's three submarines after a 15-month overhaul, and it had immediately left port for a "sea trial."

The U.S. role in the Angolan war has not been limited to outspoken support for the Pretoria regime. Jonas Savimbi received VIP treatment on his recent visit in November and December. [See *CAIB* Number 7 for details of Savimbi's November 1979 visit.] It was no coincidence that this visit came precisely as the House considered the Senate's proposal to repeal the Clark Amendment, prohibiting U.S. intervention in Angola. Savimbi's meetings with numerous CIA, National Security Council, and State Department officials did not prevent the House from upholding the Clark Amendment, although this victory may be irrelevant. On January 22 an interview with Savimbi appeared in the conservative Portuguese weekly *Tempo*. He said, referring to U.S. aid to UNITA, "Material help is not dependent on, nor limited by, the Clark Amendment. A great country like the United States has other channels . . . The Clark Amendment means nothing." Knowledgeable observers point out that the Reagan administration has been known to offer to increase proportionately aid to countries that will commence or increase aid to UNITA.

Simultaneously with Savimbi's tour, President Mobutu of Zaire made a state visit to the U.S. This visit had been scheduled for early 1982, but was moved up—at the urging of the CIA—for reasons of great concern to Angola. While Mobutu has his own serious internal problems in Zaire, he is also providing cover for another front in the U.S.-South African war against Angola. A group of Zaire-based mercenaries, along with some remnants of Holden Roberto's defunct FNLA, have established "the Military Committee of the Angolan Resistance" (COMIRA). This group, with what appears to be CIA support in direct violation of the Clark Amendment, is said to be planning attacks against Angola from the north, while the Luanda government is preoccupied with the massive South African operations in the south, a strategy similar to that which failed in 1975-76. To have Mobutu and Savimbi in Washington together seemed like an attempt to coordinate puppets.

American press coverage has focused obsessively on the presence of Cuban troops in Angola, although they were not involved in the battles against South Africa, but provided rear guard support for FAPLA. But public opinion must come to grips with the extent of South African and CIA operations against Angola and the blatant disregard of the Clark Amendment. Extensive destruction and growing civilian casualties can clearly be laid at the doorstep of the Reagan administration. Chester Crocker's assertion of "neutrality" is a farce. ■

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Mozambique Rebels Exposed

South African aggression against Mozambique, which increased in early 1981 (see *CAIB* Numbers 12 and 13), has dramatically escalated. A campaign of terrorism and sabotage has followed the mid-October speech of South African Defense Minister, Gen. Magnus Malan. The speech, which has been described as a call for a "second 'Matola-type' raid in Mozambique," announced preparations for the opening of a "second front." While Gen. Malan was not specific, the first front is Angola, and the second front, observers agreed, must be Mozambique. Mike Hough, the director of the Pretoria Institute for Strategic Studies, was quoted by the *Rand Daily Mail* (October 16, 1981) as pointing out that "the Mozambique and Angola situations were almost identical." Speaking of Gen. Malan, Hough said, "I have a good idea that he must be referring to Mozambique."

Even while Gen. Malan was speaking, it now appears, a band of South African commandos were infiltrating Mozambique for purposes of sabotage. On October 14, a Mozambican army patrol found a group of men laying mines along the vital Beira-Umtali railway, which links Zimbabwe with the major Mozambican port. Six saboteurs were killed; they were discovered to be three South African demolitions and explosives experts and three members of the "Mozambique National Resistance," a small, shadowy group which has been sniping at the Machel government since 1976.

The MNR was widely believed to be a creation of South Africa since its first appearance, and the identification of the bodies by the railroad tracks provided further confirmation. Afrikaans writing had been found on crates of ammunition captured from the MNR. Further and more detailed confirmation has come from a most unexpected source, a 16-year BOSS veteran, agent Gordon Winter.

In early October Penguin Books distributed in London advance copies of "Inside BOSS," Gordon's 640-page confessional of his years as a South African intelligence agent. The book aroused so much controversy—and dozens of threatened lawsuits—that it was withdrawn from sale only days after it became generally available. Although several British journalists have questioned Winter's change of heart and openly speculated that he is still working for South Africa, the book's details of South African intelligence operations are generally regarded as accurate.

In it, he describes how MNR was created in 1976 by Gen. Malan, then Chief of Staff of the Army, as "a fake Black liberation movement in Mozambique." Winter, in his cover as a journalist, spent much of 1977 writing stories glorifying the exploits of the non-existent organization. All of the acts of sabotage and terrorism were, in fact, conducted by South African commandos. By 1978 the South Africans recruited "between ten and twenty Blacks from Mozambique" who became a "real" MNR. They were photographed with weapons and uniforms a few miles from Pretoria. The pictures were published by Winter and other journalist-agents as guerrillas "training at secret bases inside Mozambique." Over the next few years a small core of MNR members, assisted by South African weapons, explosives, experts and financing, sporadically caused extensive damage throughout Mozambique.

The MNR—that is to say, the South Africans stepped up its activities after the abortive railway episode. That their cover was fully blown was of no consequence. At the end of October a series of explosions damaged the Zimbabwe-Mozambique oil pipeline, and disrupted rail and road links between the two countries. Two bridges crossing the Pungue River, 50 km. east of the port of Beira, were sabotaged. Mozambican authorities indicated that those responsible had infiltrated the country with the group killed at the railway.

On November 12, the channel marker buoys in Beira harbor were blown up, an action which appeared to have required the use of a submarine or very fast gunboats, equipment obviously not available to the MNR. On December 7 the Mozambican Army overran the main base of the MNR at Garaguq and discoverd a cache of correspondence and minutes of meetings between MNR leaders and South African officials, including a colonel in military intelligence. One document confirmed that the railway mine-laying plan had been conceived and ordered by the South Africans. Finally, on December 17, two foreign wildlife experts and several aides from the Mozambican wildlife school were kidnapped.

Zimbabwe too has not been immune to South African instigated violence, to say the least. Small MNR groups have often camped near the border, and, according to the October 4, 1981 *New York Times*, South African planes supplying the MNR have on occasion violated Zimbabwean airspace. In August a Zimbabwean garrison arms dump was sabotaged in an action which Prime Minister Robert Mugabe suggested involved South African collusion. And in mid-December a massive explosion ripped through his party's headquarters. Mugabe, commenting on South African adventures in his country, Mozambique, and the Seychelles, said, "A rabid racist regime has gone wild in our neighborhood."

On December 28, 1981, the *Washington Post* revealed that "Western intelligence sources . . . have confirmed Mozambican charges that the rebels are receiving South African armaments and logistical support." This is rather dramatic understatement. The MNR *is* South African. Its activity is no less an enormity than the sending of mercenaries to the Seychelles or the raid on Matola. —

Mozambican Movie on CIA Planned

The Mozambican government has announced that it is planning a full-length feature film on the CIA spy ring which operated in Mozambique since independence in 1975. This ring was described in *CAIB* Number 12. —

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Argentina Activates International Death Squads

By Ellen Ray

Argentina, according to a Foreign Ministry official, wants a "balance of power" in Latin America, seeking a "modus vivendi" to keep the area "independent from superpower conflicts." In fact, however, it is working hand in glove with the United States and some of the most repressive regimes around the world. In particular it is exporting on a growing scale its well-honed specialties of disappearance, torture, and murder.

Argentina brutally stifled political dissent following the *coup* in which the military junta overthrew Isabel Peron in 1976. Now, in secret agreements between the military regime and the Haig State Department finalized last September, Argentina is activating its torturers around the world, where they had been marking time since the Carter administration penalized their gross human rights violations which left between 15,000 and 30,000 Argentines dead. Though the junta has slowed down its domestic killing somewhat, it has never eliminated its heinous policies of extermination.

Into El Salvador

It is now apparent that in return for lifting the arms embargo imposed by Carter, Argentina will lead the way in the U.S. strategy of outside intervention—covertly in Nicaragua and overtly in El Salvador—by aiding the CIA's plans to destabilize Nicaragua and by preparing to send troops into El Salvador after the bogus March elections. This is part of Haig's "continental" approach to involve reactionary Latin American regimes in U.S. interventionism.

The embargo was lifted on December 14, 1981 after extensive shuttle diplomacy. U.S. Army Chief of Staff Gen. Edward C. Meyer visited Buenos Aires in April; Gen. Leopoldo Galtieri, then Chief of Staff of the Argentine Army and now President, visited Washington in August; Secretary Haig's envoy Gen. Vernon Walters met in Argentina with Galtieri in September; and Galtieri returned to the U.S. in November, shortly before he forced Gen. Roberto Viola to step down from the Presidency. During this period, significantly, there were several reciprocal visits between high Salvadoran and Argentinean officials.

The outcome was foreordained; Galtieri announced that he was willing to send troops to El Salvador, though Salvadoran Defense Minister Guillermo Garcia publicly stated they were "not needed at the moment." In fact, they are desperately needed, as the Salvadoran regime is on the verge of complete collapse. Moreover, an unknown number of Argentinean officers have been in El Salvador, Guatemala, and Honduras for some time.

On December 2, 1981, the *New York Times* revealed that Salvadoran military intelligence officers have been in Argentina for more than two years, taking courses "focusing on problems of organization, infiltration, and interrogation." Other reports indicate that Argentinean military personnel—described as "experienced foreign counterinsurgency specialists"—are in Guatemala, Honduras, and El Salvador. In Guatemala they have helped in the capture of a number of guerrillas through "network analysis," described by *Latin America Regional Reports* as a method "whereby telephone, electricity and other household bills are scrutinized by computer for 'abnormalities.'" In fact this computer "suspect-identification system" was U.S.-built and exported to Argentina, according to intelligence sources.

Computer expertise aside, Argentina's specialty is torture, and recent exposes in South Africa confirm the scope of their activities.

South Africa

A press campaign by liberal South African journalists recently resulted in the transfer from his "diplomatic" posting in Pretoria of one of the chief torturers of the notorious Escuela Mechanica de la Armada (Naval Mechanics School), which operated in Buenos Aires between 1974 and 1978. In a series of articles running from October through December, the Durban *Sunday Tribune* identified four Argentinean naval officers operating out of Pretoria who had administered the Escuela death camp, including Lieutenant Alfredo Astiz—the "Blond Angel." Astiz left South Africa in December after more than two years' undercover work there.

The question of their precise mission was not addressed in the flurry of press statements about the presence of the Argentinean torturers in South Africa. Observers outside South Africa have noted, however, the connection between the training of Salvadoran and South African intelligence teams in Argentina. It is possible that Astiz, as an expert in military repression, is now working in Argentina's expanding military role in El Salvador. If so, it is with the blessing of Washington.

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The "Blond Angel," Lt. Astiz, infiltrated citizens' groups, marking countless Argentines for torture and death.

In their series, the *Sunday Tribune* compiled the following documentation:

- Lieutenant Alfredo Astiz headed kidnapping operations for the Escuela, one of the largest of at least 15 death camps used as secret detention and torture centers. Over 4,700 men, women, and children thought to oppose the military junta passed through the Escuela. Fewer than 100 survived the camp, according to Amnesty International. Astiz also infiltrated what were considered "subversive groups," for example a church center run by women attempting to petition the Argentine government over the whereabouts of the "disappeared" children. Under an assumed name and pretending to have a missing relative, Astiz infiltrated the church group to identify those involved. Then they were kidnapped, tortured, and killed. Astiz was appointed naval attache in Pretoria on June 20, 1979.
- Rear Admiral Ruben J. Chamorro (the Dolphin) was commander of the Escuela from 1974 to 1978. There he supervised the "operating theaters" or torture rooms, where over 100 people at a time were detained during the height of the repression. The victims were handcuffed and hooded, according to survivors, and were systematically tortured and then finally killed, often flown by helicopter over the Atlantic and dumped while still alive. As one survivor recounted, "Chamorro was fond of personally showing visitors from the naval high command around his camp, which he would proudly describe as the 'best-known maternity hospital in Buenos Aires,'" because of the facilities for pregnant women sent there. Those women who did not abort on the torture table were put on display for naval staff who wanted to adopt babies. After the babies were born, the women would be murdered and the children given away. Chamorro was appointed armed forces attache in Pretoria on June 14, 1979.
- Captain Jorge Acosta (the Tiger), one of the most powerful men in the Escuela, was later responsible for the placement of himself and the other torturers to senior "diplomatic" postings throughout the world. Acosta is credited with refining the use of the naval task force GT 333/2—as the instrument of intelligence collection and torture. A former naval intelligence officer, Acosta was said to be the most sadistic of the torturers and the person who decided, with Chamorro, which of the prisoners more than 90% of them were to be killed. When the Escuela was dismantled in 1978, Acosta managed to secure appointments of his men as "diplomats" abroad. The South African government would not provide details of his accreditation there, according to the *Sunday Tribune*.
- Captain Jorge Perren (the Puma) was a close friend of Captain Acosta and was one of the torturers. Later, survivors documented the transfer of Perren to Argentina's counter-propaganda center in Paris, where he was joined by Lieutenant Astiz. Both were recognized by the Argentinean exile community there and, rendered ineffective, forced to leave France. Perren was appointed to the armed forces mission at the Argentine Embassy in Pretoria on October 17, 1979.

SATO

The surface connection between South Africa and Argentina has been the proposed defense pact, the South Atlantic Treaty Organization (SATO). Under the proposal the two countries' navies would play main roles, supplied by the NATO powers with sophisticated armaments "to fight Soviet naval encroachment of the South Atlantic." In December of 1980 then Argentine President Jorge Videla ruled out the possibility of a South Atlantic pact, saying that Latin American countries could take no part in any such organization "which might include South Africa." But successive military presidents have changed their tune. Indeed President Galtieri is a virtual client of the Reagan administration, which has been instrumental in cementing relations between Argentina and South Africa. When Galtieri visited the U.S. for the Conference of American Armies, he toasted top U.S. military officials: "Argentina will march together with the U.S. in the ideological battle." Pushing this theme is Galtieri's friend, Gen. Meyer. Meyer's ideology is exemplified by his public statement that World War III began when the Soviet Union moved into Afghanistan.

But perhaps the closest friends South Africa and Argentina have in the Reagan administration are Gen. Walters and Peter Hannaford, a former Reagan speechwriter who is a registered lobbyist for Argentina. (See *CAIB* Number 12 on Hannaford's role, with his then partner Michael Deaver, the White House aide, as a lobbyist for Guatemala.) Hannaford recently visited South Africa and Namibia, expressing public support for the policies of the South African government.

In May of 1981 an international conference to promote the concept of SATO was convened in Buenos Aires, privately sponsored by the Institute of American Relations (see the Seychelles article in this issue), the Council for Inter-American Security, and the Carlos Pellegrini Foundation of Argentina. The symposium was comprised of military and strategic experts from the U.S., Argentina, South Africa, Paraguay, Uruguay, and Brazil. Playing a key role was Gen. Walters, former Deputy Director of the CIA and a ubiquitous lobbyist for right-wing regimes. The conference was less than successful, however, in that Brazil has difficulty getting involved with South Africa because of its substantial trade with Nigeria, Angola, and other Black African countries.

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What Is In Store for El Salvador?

As noted above, Argentina's torturers are training military officers from many countries, highlighting problems of "organization, infiltration, and interrogation." A frightening look at some of the methods involved can be found in an extraordinary article, "How Argentina Won Its War Against Leftist Terrorism," in the February 13, 1982 *Human Events*. The piece in the right-wing journal expresses the "hope" of the authors that Argentina can teach El Salvador the lessons of success. The writers, former Chicago *Sun-Times* correspondent Virginia Prewett and former *New York Times* reporter William R. Mizelle, now publish "private intelligence reports on Latin America" called *Hemispheric Hotline*. They interviewed the members of the junta and "respected the entreaties of Argentines . . . as well as warnings of U.S. counterinsurgency experts to avoid naming . . . the principal architects of Argentina's victory over leftist terrorism." The high officials praised the order, in early 1975, which "permitted the armed forces to move in," and praised the rising "terrorist body-count."

One of their sources is quoted as follows: "Don't say it was I who said so, but the victory over the terrorists began the day my wife said, 'There's no way out except to kill these monsters; we've got to kill them all!'"

The indiscriminate killing of innocent civilians has plagued El Salvador for 50 years; Argentina's contribution will be more of the same. —

Credit: Norman Faria

From August 1 to October 15, 1981 the U.S. sponsored the largest naval maneuvers ever conducted by Western forces during peacetime. Codenamed "Ocean Venture 81," the exercises involved over 120,000 troops, 250 ships, and 1,000 aircraft from 14 countries, and ranged from the South Atlantic to the Caribbean to the Baltic Sea. The massive show of power in the Caribbean was coordinated by Rear Admiral Robert P. McKenzie, Commander of the Caribbean Contingency Joint Task Force.

Claiming that the maneuvers in the Caribbean were in response to increasing Cuban power in the area, the U.S. targeted its "fictitous" war game scenario against Cuba, codenamed "Red," and Grenada and the Grenadines, codenamed "Amber and the Amberdines."

On November 15 the U.S.S. Dwight Eisenhower, a nuclear-powered carrier which the captain claimed was "one of the most awesome weapons systems in the world," paid an official visit to Barbados. The Barbados Peace Committee and the Movement for National Liberation (MONALI) met the ship with banners that proclaimed "Hands Off Grenada and Cuba" and "Caribbean Must be a Zone of Peace." The two groups sent a letter of protest to Prime Minister Tom Adams which said in part, "At a time when the Ronald Reagan government is one of the few governments in the world supporting the racist South African state and its continuing attacks on Angola, your government is trying to cozy up to the Yankee warmongers." —

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Interview:

Salvadoran Deserter Discloses Green Beret Torture Role

For a long time documented reports of massacres by the Salvadoran armed forces and death squads have been commonplace. Suggestions that U.S. "advisers" have been involved were invariably denied by the Reagan administration. But readers of the establishment press were shocked by a dispatch from Raymond Bonner in the January 11 New York Times *which placed U.S. Special Forces Green Berets at classes devised to teach methods of torture to Salvadoran soldiers. Bonner had interviewed an army deserter in Mexico City who described the classes in detail.*

The implications of this shift from indiscriminate killing to deliberate torture are significant. During the Vietnam war U.S. troops and CIA "police advisers" regularly engaged in torture to try to obtain information. And, as the Dan Mitrione incident in Uruguay makes clear, U.S. advisers have in the past shown their clients how effective torture can be both in obtaining information and in intimidating the population. The role of Argentina in South Africa and El Salvador, discussed elsewhere in this issue, also confirms this development in the strategy of the Salvadoran junta.

Moreover, in further taped interviews with other journalists, Bonner's source, 21-year-old Carlos Antonio Gomez Montano, implicated some of the Green Berets directly *in the commission of torture. These interviews were first reported in the January 1982 issue of* El Salvador Alert, *the publication of the Committee in Solidarity with the People of El Salvador.* CAIB *has obtained the transcript of the critical interview, and what follows are the portions dealing with the participation of the U.S. troops.*

Gomez was drafted into the Salvadoran army in December 1980, and was jailed the following April. In May some friends helped him escape, and he spent the next several weeks traveling through El Salvador, Guatemala, and Mexico, where a refugee aid group has helped him to settle.

In El Salvador I was cited to report to the barracks. At the same time, my brother was involved with the guerrilla struggle. Before I entered into the military, my brother was a guerrilla fighter. He told me many times, why didn't I incorporate into the guerrilla struggle, for the people? I said, "No, I didn't like those sorts of things." A few months later I got a citation from the army that I had to report in February to the barracks. I did not answer the summons in February, was summoned again and finally had to go in December of 1980. So I went and presented myself.

After we were there they taught us how to handle the rifles, different types of formations, working the streets. They brought us out to the different towns to carry out searches. After a month, they taught us a course in anti-guerrilla warfare. Many of my friends went on this course to Panama but I didn't go. After they returned, there was another course that I took which was for paratroopers. After that course, they taught us a lot of tactics advancing, retreating, military tactics. After that they gave us uniforms and boots that came from the U.S., camouflage uniforms. There they gave us some classes about the war in Vietnam how we should act on the battlefield. What they told us was that we shouldn't have mercy on anyone, whether it be children or women or men, but you have to kill all of them.

Many times we would go into the mountains. I saw many things in relation to the officials, the officers. They took the young men and women from the houses and brought them to the barracks and afterwards they tortured them and killed them.

Later we had a welcome for the Green Berets. That day was the day of the soldier. They formed all of us up in columns. We had a homage for those who had fallen and for those still alive, too. They got us up for this to greet these Green Berets who came from the U.S. The officers said they would be able to teach you a new tactic. We didn't have any idea what this new tactic was; we thought it was something else. The first time they brought us to a volcano and they brought us to the slopes of the volcano so that we were going to combat with the guerrilla fighters. The Green Berets didn't go into combat; they were just behind teaching us how to do these things. They would criticize us as to what was good and what was bad. We passed five days on a volcano. There were 600 of us--in all, 5,000. Of those, there were many who didn't return. There were lots of soldiers who were killed.

Six days later we returned to the barracks and then they began to teach us how to torture. One evening they went and got nine young people that were accused of being guerrillas and brought them to where we were. This was

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more or less the last time that I had to see very well the type of torture they carried out against the guerrillas. The first one they brought—a young fellow who was around 15 or 16 years old and the first thing they did was to stick the bayonets under his fingernails and pulled them out. That day he was the first one that died under torture. This young fellow said all sorts of things against them to let him go. The officers said "We are going to teach you how to mutilate and how to teach a lesson to these guerrillas." The officers who were teaching us this were the American Green Berets. They didn't speak Spanish so they spoke English and then another officer—Salvadoran—translated it into Spanish for us. Then they began to torture this young fellow. They took out their knives and stuck them under his fingernails. After they took his fingernails off, then they broke his elbows. Afterwards they gouged out his eyes. Then they took their bayonets and made all sorts of slices in his skin all around his chest, arms, and legs. They then took his hair off and the skin of his scalp. When they saw there was nothing left to do with him, they threw gasoline on him and burned him. The next day his dead body wasn't around but was found by people out in the streets—left in the street.

The next day they started the same thing with a 13-year-old girl. They did more or less the same, but they did other things to her, too. First, she was utilized, raped by all the officers. They stripped her and threw her in a small room, they went in one by one. Afterwards they took her out tied and blindfolded. Then they began the same mutilating—pulling her fingernails out and cutting off her fingers, breaking her arms, gouging out her eyes and all they did to the other fellow. They cut her legs and stuck an iron rod into her womb. The last one that they killed that day suffered more, because they stripped him naked at mid-day. There they put him on this hot tin and made him lie there—he was like cooking. After about a half-hour, when they finally took him off, he was all covered with blisters—like wounds. They did different types of torture to him. Then they threw him out alive at 14,000 feet altitude from a helicopter. He was alive and tied. They go and they throw them out over the sea.

. . .

Q: Can you give a better description of the Green Berets? Names, numbers, anything?

A: I don't know their names, but there were eight. The officers knew. There was only one of the eight that could speak Spanish. They were all white—there were some Blacks, but I don't know where they were from. The eight U.S. Green Berets that were there were all white. They dressed themselves the same as any soldier. One of them sort of gave orders but they didn't have any indication of their rank.

Q: Did they rape the women too?

A: No, they only taught.

Q: Did they do the fingernail pulling?

A: It was one of the Green Berets doing the teaching. The Green Beret did the torture on the first one and then the others did the tortures on the others.

. . .

Q: Were there any other Americans involved?

A: Some sergeants there spoke English but I never knew much about them. They arrived to teach classes on how to use the helicopters.

Q: Are you sure the Green Berets were with the U.S. Army, or were they mercenaries?

A: I think they belonged to the U.S. Army because our officers searched us very well and told us not to talk about the presence of the U.S. Army there; they prohibited us from speaking about this.

. . . —

A Luta Continua

Unaffected by the imminent passage of the Intelligence Identities Protection Act, a group of European researchers have begun to expose light cover CIA officers serving in U.S. embassies. The first public appearance of this group was at a November press conference in San Jose, Costa Rica, at which a list of 225 present and former case officers in Central America and the Caribbean was made public, complete with extensive biographies.

The material included 13 currently active operatives in Nicaragua; 6 in El Salvador; and 4 in Honduras. Despite cries of protest from the Americans, details, including lists of names, were published in the regional media. The U.S. media were noticeably silent about the details of the press conference, except to report unsubstantiated claims by the U.S. Embassy in Managua that the press conference must have been linked to a visit by Philip Agee to Nicaragua some weeks earlier. The Embassy's wrath was generated by the publication in the Managua papers of all the names exposed as present or former CIA operatives in Nicaragua, with, in several instances, photographs. —

White Paper? Whitewash!

Philip Agee on the CIA and El Salvador

The CIA's history of document falsifications; the use of AIFLD as a CIA front; the CIA's work with paramilitary and terrorist gangs; and a line-by-line analysis of the State Department "White Paper" and the "captured" documents. The research which proved the White Paper was a fraud. Includes complete White Paper with exhibits and State Department Dissent Paper; 220 pages; paperback: $6.50 plus $1.50 postage and handling; hardcover: $12.95 plus $1.75 postage and handling.

Order from: Deep Cover Publications, P.O. Box 677, New York, NY 10013.

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White Paper II:

Administration Stonewalls While Covert Operations Escalate

By Bill Schaap

The Reagan-Haig State Department is nothing if not persistent. Its February White Paper on communist influence in El Salvador was demolished last spring and summer by commentators from the left, right, and center. Yet by October a new version on the same theme was launched amid considerable diplomatic fanfare. The report, originally entitled "Cuba's Covert Operations in Latin America," was first submitted to NATO representatives at the October 14-16 Brussels meeting on Latin American exports. On November 8, in the form of a confidential cable, it was sent to all major U.S. embassies; on December 14, now slightly revised and entitled "Cuba's Renewed Support for Violence in the Hemisphere," it was submitted to the Subcommittee on Western Hemisphere Affairs of the Senate Foreign Relations Committee. Shortly thereafter it was released publicly as a State Department Special Report.

This "research paper" avoids some of the more egregious errors of the February White Paper –conclusions unsupported or even contradicted by the supporting "evidence" – by the simple expedient of providing no evidence whatsoever to support its conclusions. And it did not charge that Cuban troops or advisors were actually in El Salvador, ignoring the frequently repeated fabrication that Cuban forces had blown up a bridge inside El Salvador. As *Newsweek* magazine (December 1, 1981) conceded, "earlier reports of Cuban troops [in El Salvador] were simply untrue, says one U.S. official."

In attempting to avoid the criticisms which had been leveled at the White Paper, the charges were "monumentally hollow, and presented without factual or analytical support." [*Latin American Regional Reports Caribbean*, January 15, 1982.] Some allegations were so far-fetched that they were denied by the putative sources. The paper claimed that in 1978 Guyana had expelled "five or seven" Cuban diplomats; this was flatly denied by the Guyanese government. The paper repeated Edward Seaga's pre-election claim that there were as many as 500 Cuban advisors in Jamaica under the Manley government, but failed to point out that Seaga himself has now admitted this charge was untrue.

Psychological Warfare

Despite the unconvincing nature of this new presentation, however, it was, as *Newsweek* noted, "an exercise in psychological warfare" designed to leave the Cubans and the Nicaraguans wondering what the U.S. will do next. In that respect it is consistent with the current and dangerous theme that the United States is maintaining various options regarding the Caribbean Basin. For many observers have noted that a strong, coordinated destabilization program, aimed in the first instance at Nicaragua, is not an "option" but a reality.

This thesis is strengthened by the administration's admissions that it wants to keep Cuba and Nicaragua guessing. "Let them worry," said Gen. Vernon Walters, Secretary Haig's roving envoy. "We believe that constructive ambiguity is a very powerful weapon in American foreign policy." When Assistant Secretary of State Thomas O. Enders addressed a foreign policy conference of out-of-town journalists in Washington October 29, he pointedly noted, "Our policy towards Cuba is under very active consideration. You haven't heard the last of this at all."

The policy has kept not only Cuba and Nicaragua but also Congress guessing. On November 12 Haig appeared before Rep. Michael Barnes's subcommittee of the House Foreign Affairs Committee. Despite repeated attempts to pin him down, Haig would not reject the possibility of direct involvement in the destabilization or overthrow of Nicaragua. Barnes was so taken aback he stated, "If I were a Nicaraguan, I would be building my bomb shelter." A number of liberal Democrats wrote to the President expressing "shock" that the administration was "considering military actions in response to the apparent stalemate in El Salvador," and a bipartisan group of Committee members, including Chairman Clement Zablocki, wrote to the President to register their "concern over possible U.S. actions directed against Nicaragua."

The Numbers Game

To the United States, where the biggest is so often considered the best, numbers have become an important part of the psychological war. The new international airport under construction in Grenada is invariably referred to as "huge" or "mammoth," even though it is no bigger than several other Caribbean airports, and the minimum necessary to accommodate jumbo jet passenger planes. Similarly, there is being waged a scare campaign over the size of the Cuban

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and Nicaraguan armies. Nicaraguan hopes for a force of 50,000 were described in November by Undersecretary of State James Buckley as "just huge." And Max Singer, the reactionary deputy director of the Hudson Institute, said (*Washington Post*, December 23, 1981) that the resulting army will be "overwhelmingly the most powerful military force between Colombia and Mexico." Singer is the only well-known academic moronic enough not only to refer to the Duarte regime as "El Salvador's revolutionary government," but also to call its sadistic and barbaric armed forces "the revolutionary army."

Credit: Soberania

U.S. "adviser," identified as Cpt. Mike Sheehan, at refugee camp on Honduras-Salvador border.

What these critics never discuss is the size of the U.S. armed forces, or the constant threats of invasion by the U.S., or the boasts of the bands of mercenaries openly training throughout the United States and in Honduras and Guatemala. When Enders asked Nicaragua's Foreign Minister Miguel D'Escoto why Nicaragua was building up its army, he replied, "to defend ourselves in case you invade us." To which Enders responded, "In that case you are wasting your time, because we are one hundred times bigger than you."

The Flow of Arms

Somewhat surprisingly the new "research paper" perpetuates the most discredited theme of the White Paper, that Cuba and Nicaragua are responsible for a "massive" flow of arms to the revolutionary forces in El Salvador. The paper gives no documentation of this charge, except for a reference to the White Paper itself. The theme was reiterated by Secretary Haig in his December 4 speech to the OAS meeting in St. Lucia: "Meanwhile, the principle of non-intervention is being violated as arms, ammunition, and other military supplies flow from Nicaragua to the Salvadoran insurgents." These assertions continue to be made even though the only proven, admitted intervener in El Salvador is the United States, which continues to pump millions of dollars worth of military equipment into the country.

Sea Lanes, Mexico, and Other Hyperbole

The desperation with which the U.S. views the conflict in El Salvador has led to some dire predictions, which can only be thwarted by incessant escalation of U.S. involvement. When Thomas Enders presented the research paper to Congress on December 14 he was dramatic: "If, after Nicaragua, El Salvador is captured by a violent minority, what state in Central America will be able to resist? How long would it be before the major strategic U.S. interests—the canal, sea lanes, oil supplies - were at risk?" Under questioning, Enders confirmed that military contingency planning has been undertaken, but would not say whether military options had "become policy."

The next day Undersecretary of Defense Fred C. Ikle appeared before the same subcommittee in a far more bombastic mood than Enders. "It would be a grave mistake," he said, "if we ignored the direct military threat that this Soviet-Cuban arsenal represents, some 90 miles to the south of Florida." Ikle, who was making the pitch for further funding of the war in El Salvador, "far in excess" of existing authorizations, described at length the shipping paths and oil refineries of the Caribbean, as well as the Navy's need for secure maritime operations in the region.

As noted elsewhere in this issue, Constantine Menges was an early exponent of the new Central American domino theory. The theory was implicit in the testimony of Enders and Ikle, and was explicit in the Max Singer column noted above. Singer predicted that if the government of El Salvador fell, there would be "little possibility" of preventing the same results in Guatemala and Honduras. "Then," he continued, "drastic polarization is likely to be started in Mexico . . . violent conflict . . . not likely to be without serious security implications for the United States."

Plotting in Nicaragua

The U.S. line that Cuba and Nicaragua were destabilizing Central America was dealt a rude setback in January when Nicaraguan security forces uncovered plots to sabotage major industrial plants, and bomb Nicaraguan civil airliners. The bombers, who damaged an AeroNica plane in Mexico City before it took off, were CIA-trained Cuban exiles, including some connected to the 1976 Cubana bombing in Barbados. They were connected to the exile group CORU, nominally headed by Orlando Bosch.

The plot to sabotage an oil refinery and a cement plant involved Somocistas and Venezuelan, Honduran, Salvadoran, and Argentine officials. Two of the would-be saboteurs, captured with hundreds of sticks of dynamite and other paraphernalia, implicated the diplomats and soldiers—including military intelligence officers—in their confessions, leading to intensive discussions between Nicaraguan and Venezuelan officials. Nicaraguan Interior Minister Tomas Borge publicly stated that relations between the two countries should not be disturbed, as the Venezuelans involved were clearly working for the CIA, not for their government.

Other evidence of CIA-style operations emerged. The leader of the Miskito separatists, Steadman Fagoth, a

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former Somoza agent, had fled his base on the Atlantic coast region of Nicaragua for Honduras. From there he frequently broadcasts on a stridently anti-Sandinista clandestine radio station. He has denied accusations that the station is a CIA-Honduran operation; however, on December 20 he was injured in the crash of a Honduran military transport plane, near the Nicaraguan border. A number of Honduran officers were also on board.

The creation of "dissident" groups within Nicaragua, including those Miskitos taken in by Fagoth's propaganda, is very important to the would-be destabilizers. An unnamed State Department official quoted by the San Francisco *Examiner* said that a naval blockade against Nicaragua would be "impractical unless it was connected to some uprisings in Nicaragua . . . unless parts of Nicaragua were taken by anti-Sandinista guerrillas." A blockade might then be justified to "prevent outside intervention."

What Does It Mean?

The U.S. campaign and its rhetoric are carefully timed and coordinated. Despite constant exposures of its meddling, the U.S. insists that its plans are undecided and its options flexible. The impression that the administation is uncommitted is fraudulent, and can only be aimed at lessening the vigilance of the targets of its covert operations. While open and direct military invasion of either Cuba or Nicaragua may be politically impractical, the intention is to prepare public opinion in the U.S. for anything short of such action. But those operations have already begun, despite the failure to convince the public, the Congress, or the media of the viability of the U.S. position.

There is, it seems, an attempt to catch up to the reality with the propaganda. Critics of U.S. involvement in the Central American struggles, especially those who see the striking comparisons to early U.S. involvement in Vietnam, must work to assure that the media and the people will continue to expose the administration's hypocrisy. ■

Americans in Managua demonstrate before U.S. Embassy for end to covert actions.

KKK (continued from page 50)

ties might have looked the other way and permitted the attempt. Some aspects of the plot that are still being kept secret are suggestive. Why, for example, of the 12, 40, or 80 backers of the *coup*, depending on which report you choose to believe, were only two indicted by the grand jury? Why are the identities of the others not disclosed? Perhaps because the U.S. government has something to hide.

Similarly, why was no action taken against the unidentified "several others" the *Los Angeles Times* said refused to answer the grand jury's questions? In this respect David Duke is a significant figure. He was central to the original plot and never denied his role in it; he rebuffed the grand jury, yet no action at all was taken against him. This plus the highly suspicious fact that Duke sent Perdue to a boat captain who was an ATF informer lends some credibility to old charges leveled by Duke's Klan rivals that he's a government agent. If so, it would suggest that the U.S. looked favorably on the intentions of this ragtag band of Klansmen, Nazis, and gangsters as long as they kept their sights firmly set on Grenada.

One cannot be certain, however. It seems unlikely that a group this weak and incompetent could pose a significant military threat to the Grenada revolution, even if assisted by Eric Gairy's fifth column on the island. But a failure by such a group is likely to sharpen the alertness of Grenadians to the threat their country faces from the U.S. Prime Minister Maurice Bishop documented the seriousness of the danger in a letter to then U.N. Secretary General Kurt Waldheim last August. He pointed out that the U.S./NATO military manuever called "Ocean Venture 81," the largest such exercise since World War Two, had as its target a fictional group of Caribbean islands called Amber and the Amberdines, a thinly disguised reference to Grenada and the Grenadines. The practice amphibious landing took place on the southeastern tip of the Puerto Rican island Vieques, which corresponds to an area of Grenada that actually is called Amber. Other equally obvious similarities were shown. With an attack of this magnitude being practiced, it does seem improbable that a small and inept band of mercenaries would be considered a serious U.S. option.

Another puzzle the U.S. hasn't answered concerns two unidentified members of the invading party. Perdue contracted with Howell to transport twelve, yet only ten were arrested. Who were the other two? One was probably Canadian Klan leader Alex McQuirter. He had originally been slated to lead one of the mercenary groups, but couldn't join the group in New Orleans because he was barred from the U.S. in January 1981. What about number twelve? No one has yet identified the missing mercenary.

There remains, finally, the question of what action the Canadian government will take, if any. At our press time a representative of the Ontario attorney general's office told *CAIB*, "There has been an active investigation for a number of months. It is rapidly drawing to a close, and there will either be action or an announcement in the immediate future. Beyond that we cannot comment." ■

FLASH: As *CAIB* went to press, it was learned that the Canadian authorities had brought charges against Alex McQuirter and Charles Yanover. ■

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Constantine Menges CIA Ideologue

By David Arthur*

In an almost unprecedented action, three U.S. Senators have complained to CIA Director William Casey that a December 10 briefing they received on the Caribbean "seriously violated" the Agency's obligation to provide them with an objective analysis.

The three Democrats, Paul Tsongas (Mass.), Claiborne Pell (R.I.), and Christopher Dodd (Conn.), charged in a December 11 letter to Casey that the closed session briefing for the Senate Foreign Relations Committee "evidenced a rhetorical tone and selective use of information which bordered on policy prescription rather than a straightforward analysis of available intelligence data."

The briefing was to present "evidence" of charges leveled in the Reagan administration's controversial White Paper on Cuban influence in Latin America and to assess U.S. political and military options in Central America and the Caribbean. Congressional committees often ask the CIA to provide them with background material on important matters relating to national security. These briefings, according to the letter, should present a "professional, impartial, and balanced approach to highly controversial and sensitive issues. These vigorous standards insure the separation of intelligence assessment from foreign policy advocacy..."

The briefing was delivered by the CIA's National Intelligence Officer for Latin America, Constantine Menges. The letter characterized Menges's spoken presentation as one that "undermines his credibility as a National Intelligence Officer and calls into question his further effectiveness." Some observers believe that Menges's presentation further encourages the view that the Reagan administration has politicized the CIA by bringing in ideological conservatives to fill sensitive posts.

Menges, 42, officially joined the CIA in September 1981 after serving as a policy analyst at the conservative think tank, the Hudson Institute, and as an editor of *International Strategic Issues*, a monthly newsletter published by SAGE Associates focusing on strategic risk assessment for U.S. businesses. Over the years Menges's writings have often borne strong resemblance to the Agency's official views on matters pertaining to U.S. interests in Latin America.

Menges received a Ph.D. in government and political economy from Columbia University and studied at the school's Russian Institute war and peace studies program before becoming an assistant professor at the University of Wisconsin in the mid-1960s. In 1967 he joined the staff of the RAND Corporation where he authored two studies on agrarian reform in pre-Allende Chile. During the same period he served as a consultant to VPI Films Inc. of Los Angeles and co-directed a documentary on "successful" economic development projects in Latin America.

Between 1970 and 1975 Menges held several posts as a special assistant in various offices of the then Department of Health, Education, and Welfare. His duties there, according to Menges, "included innovative work for [then] Secretary Caspar Weinberger on linkages between work and education." Menges joined the Hudson Institute in 1979.

The Hudson Institute is well-connected to the defense and intelligence complex. Staffed by more than 40 professional "analysts," several of whom have worked at the Pentagon or the CIA, the Institute is endowed by more than 40 major multinational corporations, such as Exxon, AT&T, Mitsui, the Royal Bank of Canada, and the Bank of America. *Stern* magazine (November 13, 1980) reported that since 1975 the Institute has received contracts primarily from the U.S. defense agencies (up to 40%) and American oil and weapons firms. The Institute performs a wide range of classified research on national and international energy and national security issues.

Even before the election of Ronald Reagan, Menges had worked vigorously to support a more hard-line policy in Central America. In October 1980 Menges sent a letter (reprinted in *CAIB* Number 12) to then Assistant Secretary of State for Inter-American Affairs William Bowdler urging him to send "credible, well-informed individuals" to meet with democratic socialist leaders in Western Europe in order to begin a "more active and time-urgent effort to achieve changes in the Socialist International position on the extreme left in El Salvador and Central America." Two of the individuals recommended by Menges, Roy Prosterman and Mike Hammer, were consultants with the AIFLD program in El Salvador at that time. Hammer and two other AIFLD officials were gunned down by a right-wing death squad in a San Salvador coffee shop on January 4, 1981.

The first issue of Menges's *International Strategic Issues* was published in April 1980, a few months before the State Department's controversial White Paper on El Salvador, "Communist Military Intervention," had received a thorough discrediting in the media. In the newsletter the author cited a May 1979 CIA report that "Cuba has intensified its efforts to unify insurgent groups, not only in Nicaragua where Cuba has concentrated its efforts, but in

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Guatemala as well." Menges's vision of falling dominoes in Central America culminated in a "tactical scenario of [the] destabilization" of Mexico, which Menges ominously calls the "Iran next door." He warns of the potential that by 1983 "a new revolutionary government in Mexico could offer non-intervention in American affairs . . . if the same is strictly observed by the United States."

Menges's prescriptions for U.S. policy in the region were brought out in a discussion held on January 7, 1981 at the Woodrow Wilson Center for International Scholars. He argued that U.S. policy "must find the middle ground between the unrealistic interventionism of a crusade and the merely routine diplomatic relations in all situations short of visible crisis." Between the extremes of normal diplomatic relations on the one hand and what Menges called "direct help to counteract externally supported destabilizing forces" on the other, a level of involvement which might be necessary in Nicaragua and El Salvador, Menges posits two levels of useful government and private action in which the U.S. "can support democratic forces and weaken those seeking to polarize the hemisphere into either communist or authoritarian regimes."

One level would utilize discretionary resources such as information, communication, and cultural exchange programs to nurture "democratic groups" systematically. An example cited by Menges was the AIFLD program. A second level of activity would be focused on specific countries of interest and would involve the establishment of semi-autonomous foundations modeled on the West German Friedrich Ebert Stiftung and the Konrad Adenauer Stiftung "which would act separately from the official diplomatic presence." The functions of such organizations, "which could be performed at comparatively modest costs," were spelled out in detail, and included: increasing "the sense of solidarity among the existing democratic governments in Latin America;" building "links between newly legalized political parties, trade unions, voluntary associations, and their democratic counterparts in Latin American nations;" encouraging "democratic opposition groups through publication and distribution of their writings and invitations to travel in the democracies;" "communicating the facts of successful social and economic performance in the democracies and the repression, poverty, corruption and elite privilege of communist regimes such as Cuba;" providing "appropriate accurate information to leaders of democratic groups when extremists make efforts to penetrate and obtain control;" "providing advisory help in the conduct of fair elections, monitoring services, and establishment of independent parties and media;" and "reaching out to students and workers from Latin American countries while they are temporarily studying or residing in the U.S."

These functions read like a detailed list of covert operations by the CIA in Latin America for decades. It is particularly interesting that the foundations and organizations cited by Menges have long been suspected of deep links with the CIA and other western intelligence agencies, and in the case of AIFLD such charges are well-documented.

In their letter to Casey, the three Senators asked the CIA Director to review Menges's testimony and inform them of any actions to be taken by the CIA regarding future briefings by Menges. The CIA, the Senators, and Menges all declined to comment on the briefing or the letter. But right-wing Senator Jesse Helms who chaired the session in question called it "one of the best presentations I've heard. It wasn't an attempt to brainwash any Senator . . . The problem for these Senators was that they were hearing things they didn't want to hear about the communist takeover in this hemisphere."

Menges now "official" after years of toeing Agency line.

In mid-January Casey replied in writing. While he did not repudiate any of Menges's remarks, he reportedly acknowledged his "inexperience" and even hinted that the CIA had been pressured to take Menges on in such a sensitive position. Though this may have been intended to mollify the ruffled Senators, it is unlikely to do so.

Despite the flap, however, the administration remained undaunted in its insistence that Cuba is the "source" (in Secretary Haig's words) of instability in Central America. Only four days after the Menges briefing, Assistant Secretary of State for Inter-American Affairs Thomas Enders appeared before the Subcommittee on Western Hemisphere Affairs of the Senate Foreign Relations Committee. He told his audience about several major developments in the Caribbean Basin that have created, in his words, a "state of danger." One, he said, "is the new Cuban strategy for uniting the left in the countries of the region, committing it to violence, arming it, training it in warfare, and attempting to use it for the destruction of existing governments."

Thus advocacy and rhetoric continue to characterize the administration's presentations to Congress, despite the inherent dangers recognized by the Senators who complained. —

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Deceit and Secrecy: Cornerstones of U.S. Policy

By Bill Schaap

It is a political error to practice deceit
if deceit is carried
too far.
— Frederick the Great, 1740

To dismiss unpleasant truths as lies spread by the opposition is a political reflex, but the Reagan administration has elevated this reflex to an obsession. Those who agree with the government's ideological underpinnings are telling the truth; those who disagree are lying. They are not only liars but also, as we shall explain below, foreign agents.

The current craze centers around the formerly obscure term, "disinformation." While the U.S. government takes the position that disinformation is a Soviet invention and that the Soviets are the major practitioners, in fact disinformation has been a U.S. specialty since the days of the World War II OSS, which had an entire branch devoted to it.

Current estimates of the CIA's budget suggest that earlier figures were far too low. While studies of materials relating to the late 1960s and early 1970s suggested an annual CIA budget of one to two billion dollars [see *CAIB* Numbers 4 and 7] current conservative estimates, such as that of *Defense Electronics* (December 1981), indicate that a figure of ten billion dollars is more accurate for the CIA, and "in excess of $70 billion annually" represents "the overall intelligence budget." Perhaps one-fourth of the CIA's budget, nearly three billion dollars, is being devoted each year by the CIA to the spread of disinformation, through what it terms "deception operations." This is exclusive of the expenditures in this area by the State Department itself and its subsidiary, the International Communications Agency (ICA), parent of the Voice of America (VOA).

The first major disinformation operation of the Reagan administration was the El Salvador campaign, epitomized by the State Department's "White Paper." The second was the Libya campaign, exemplified by the "hit squad" story.

Early in the Reagan administration the State Department launched its campaign to "prove" that the Salvadoran revolutionary forces were creatures of external forces, most notably the Soviets and the Cubans. The flimsy "evidence" presented in the White Paper was subsequently demolished, most notably in Philip Agee's "White Paper? Whitewash!" Within a few months the establishment media joined in the attack, and despite sporadic attempts to revive it, the White Paper is no longer taken seriously. The Libya campaign is another story.

Credit: Afrique-Asie

Qaddafi was targeted from first days of Reagan administration.

The Libyan Hit Squad

In the Spring and Summer of 1981 numerous news reports circulated suggesting various U.S. plots against the Libyan government, and its leader, Col. Muammar Qaddafi. While U.S. hostility to Libya was real to the point of paranoia, and while many of the reports were undoubtedly true, most perplexing was the public nature of the disclosures. In light of subsequent events, it now appears that the threats and plots were publicized in order to argue later that they formed the "justification" for Libyan actions against the United States. As early as April 6, 1981, *U.S. News and World Report* said that the U.S., with Egyptian logistical support, funneled arms to anti-Qaddafi forces in Chad and the Sudan. At the same time, the U.S. openly made major arms deals with Morocco, another bitter foe of

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Libya. In May the U.S. expelled all Libyan diplomats from the country, and stories circulated that the U.S. planned to assist Egypt in a move to overthrow Qaddafi.

On July 8 Assistant Secretary of State for African Affairs Chester Crocker testified before Congress that the U.S. would "help" any country that opposed Libya, and announced the sale of weapons to Tunisia "to defend itself" against Libya.

Then, on July 26, details were leaked of the CIA's plans to destabilize the Qaddafi government. Although this plot was denied by the U.S. administration (see article on the Seychelles in this issue) the complicated plans surely had a basis in fact. Indeed, as Don Oberdorfer reported in the *Washington Post* (August 20, 1981): "The first interdepartmental foreign policy study ordered by the incoming Reagan administration early this year considered what the United States should do to oppose Libya and its militant, unconventional leader, Col. Muammar Qaddafi. A few months later, authoritative sources reported that the administration had drawn up plans to 'make life uncomfortable,' at a minimum, for the leader of radical Libya."

Also in August, U.S. planes shot down two Libyan aircraft in the Gulf of Sidra, after creating a deliberately provocative situation—announced two days in advance by *Newsweek* magazine.

Jack Anderson elaborated in his August 25 column, noting that, despite the Mauritania-Mauritius explanation, "the CIA plotters still have Qaddafi in their sights." There have been, he said, "whispers about slipping an assassin into Libya to do away with Qaddafi. One scheme would be to have the hit man pose as a mercenary and join a ring of mercenaries in Qaddafi's employ."

According to the Oberdorfer article, and the October 4 *Parade Magazine*, a Libyan group called the Free Unionist Officers responded to the revelations by issuing a statement which concluded, "we will physically liquidate anyone who may even think of harming Qaddafi, beginning with Ronald Reagan and ending with the smallest agent inside Libya or outside."

Anderson followed the *Parade* item with a self-described "bombshell" in his October 8 column. Col. Qaddafi, he reported, "has placed President Ronald Reagan at the top of a hit list and is plotting his death." He said that the National Security Agency had advised the White House during the summer that Reagan was the target of an assassination, and that this was why the President would not be attending the upcoming funeral of Anwar Sadat.

It took nearly two months for the bombshell to have any real repercussions, some of them instigated by Anderson himself. In late November both NBC News and *Newsweek* reported unusual security precautions involving President Reagan and Vice-President Bush, and linked the precautions to intelligence reports that a Libyan hit squad was on its way. On November 22 the Secret Service—whose responsibilities include protection of top officials—reported that it was "aware" of the reports, and investigating them. On November 27, the FBI confirmed the heightened security measures, but said they were "a precaution, not a reaction to specific information that a band of foreign terrorists is roaming the countryside."

On November 28 the *Washington Post* reported that Middle East intelligence sources had provided a list of six names, comprising a hit team entering, or already inside, the U.S. On December 4 the *New York Times* reported that the team was made up of five people, and the same day ABC News reported that the government had "names and pictures." Shortly thereafter, Jack Anderson released the pictures—rough drawings—which were being circulated to police and immigration authorities.

Although the Libyan government vigorously denied the reports, the U.S. insisted it had detailed evidence of what was now described as a "10-man squad." The government refused, and has continued to refuse, to reveal any of the details.

The first real skepticism in the establishment media was found in a December 7 *Washington Post* article by Michael Getler. The reports, he said, were "a source of puzzlement." Some analysts doubted, he pointed out, that Libya would back such a scheme which, if discovered, could lead to massive retaliation by the United States. Moreover, Getler continued, "if such an assassination plan actually were in effect, it likely would be a most closely guarded secret, and the ability of an informant to obtain the kind of detailed information on each squad member, as is now circulating, is viewed as highly unlikely. Furthermore, a 10-man team is viewed by some specialists as too large, offering too great a chance for slip-ups by one or two members." It was also pointed out that the reliability of the informant, who was allegedly in CIA custody and asking for both asylum and money, was questionable.

Doubts were so widespread now that the December 8 *Washington Post* carried a page-one commentary by Haynes Johnson entitled, "The Believe It or Not Show." The hit squad stories, Johnson noted, "are setting a new standard of incredibility." He was most concerned about a possible U.S. military action against Libya: "It's almost as if public opinion were being prepared for dramatic action—say a strike against Libya or Qaddafi himself. . . the U.S. rhetoric about the threats emanating from Qaddafi's Libya has been increasing in volume and severity. It is reminiscent of the talk about Castro in the days when the United States was planning the Bay of Pigs invasion, and, in fact, commissioning assassination schemes against Castro."

Editorials varied; some applauded the precautions, some thought they were overdone; but none would dismiss the allegations, because as Haynes Johnson had put it, "we in the press are hardly capable of proving or disproving the case." The government asserted that the mysterious Carlos was a member of the hit squad. In Robert Ludlum's 1980 best-seller, "The Bourne Identity," a captured terrorist bargains for his life by promising information about Carlos. And disinformation master Robert Moss's new book includes a Libyan plan to send a hit squad into the U.S. But truth is stranger than fiction, as a December 14 *Los Angeles Times* story demonstrated. The initial leaks about the hit squad had not come from the administration directly, but from Mossad, Israeli intelligence. As Robert Toth and Ronald Ostrow reported, "among the possible explanations for the tips to the news media was that the Israelis wanted to intensify the U.S. public's concern about Col. Qaddafi so that Americans would support a strike at Libya."

On December 10 President Reagan invalidated U.S. passports for travel to Libya and ordered all Americans there to leave, knowing, according to Secretary of State

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Haig, that U.S. allies would not go along with similar actions.

As late as December 17, the President insisted at a news conference that the intelligence information on the hit squad was solid—while still refusing to reveal any of it. He denied any overreaction by the U.S.

Now You See Them, Now You Don't

Only one week after the President's news conference, the December 25 *Washington Post* carried this headline: "Libyan Hit Men Are Reported to Suspend Activity." The article said that "U.S. analysts with access to the latest top-secret intelligence now say the alleged Libyan hit squads—two of them, with five members each—have suspended their operations, at least temporarily." Secretary of State Haig refused to comment on the report, but said that "if such reports are true, it underlines the validity of the steps taken by the President." Abracadabra!

It became fashionable to brag if you had never believed the hit squad was here at all. FBI Director William Webster told ABC News that it was "a possibility" that the entire story was a plant, and stressed that the FBI had never confirmed it. White House officials tried, unsuccessfully, to fend off further press skepticism: "This was not an artificial affair created by the White House to justify punitive action against Libya. We believed the threat was real when it first appeared, and we now believe it has receded." However, they still refused to release any evidence of the threat or of its "receding." They simply stated that the new information came from another source.

Jack Anderson, who was responsible for more of the hysteria than any other individual, was understandably miffed, and in his January 7, 1982 column described how everyone had been duped—failing, of course, to mention his own role. He gave six reasons why the credibility of the threat had diminished. The source of the allegation had demanded $500,000 for his information; he gave the names of others who also had information for the CIA and they turned out to be "hustlers who had been peddling phony documents for years;" two of the names on the list of the hit squad members were members of a Lebanese Shiite Moslem sect who were sworn enemies of Qaddafi; some of the informers had connections with Israeli intelligence "which would have its own reasons to encourage a U.S.-Libyan rift;" the original reports said that more detailed information was forthcoming and nothing materialized; and, significantly, the government's allies found the CIA findings "unconvincing—in a class with the white paper on El Salvador earlier last year, which was later shown to have relied on highly questionable and probably forged documents."

But it is the close of Anderson's column which is most enlightening: "Footnote: There is a possibility that the CIA was played for a sucker by its own 'disinformation' campaign directed at Qaddafi. The campaign, ordered by CIA Director William J. Casey last May, used foreign nationals for the dirty work. Knowing what the CIA wanted, and without proper supervision by American agents, it's possible the CIA's foreign hirelings cooked up the 'hit squad' on their own. It fit neatly into the Reagan administration's political scheme of things, and—voila! a full-blown international incident was born."

There are rumors that the disinformation was "confirmed" by Mossad and by Frank Terpil, who is reportedly in their custody now.

Whose Disinformation?

Readers of this magazine need no elaboration of the proposition that the U.S., and particularly the CIA, have been masters of disinformation. Abundant detail is recorded in the books of Agee, Corson, Marchetti, Marks, Stockwell, and others. But the ideologues of the Reagan administration and their more wild-eyed supporters have taken to spreading the line that disinformation is a tactic

Casey ordered Qaddafi destabilized—then "discovered" hit squad.

Were Terpil and Mossad mysterious hit squad source?

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exclusive to the Soviets and their allies. For example, Reed Irvine, chairman of perhaps the most falsely-labeled organization in Washington, Accuracy in Media (AIM), began a recent column: "By now a lot of Americans have heard about disinformation—the measures taken by the Soviet Union to deceive and confuse public opinion in ways that benefit Soviet foreign policy objectives." As C.T. Hanson pointed out in the *Columbia Journalism Review* (September-October 1981): "According to AIM, virtually every story that seems to slant leftwards, or is critical of the military or of business, amounts to disinformation."

The Bible of those who foster this line is "The Spike," by Robert Moss and Arnaud de Borchgrave (see *CAIB* Numbers 10 and 12). A similar theme is found in "Target America," by James L. Tyson, a "non-fiction" version of "The Spike." These works and the daily outpourings of right-wing columnists hammer the message: virtually all media workers in the U.S. are witting agents or at best unwitting dupes of the KGB. (Since hundreds of newspapers carry the syndicated columns of these right-wing journalists, the charge is a bit silly on its face.) A comment by Adam Hochschild in the *New York Times* (October 14, 1981) noted that when de Borchgrave accuses virtually every liberal publication in the U.S. of disseminating KGB disinformation, he provides "no specific examples of facts or articles." And when he "accuses skeptical journalists of being unwitting purveyors of disinformation, the accusation is more slippery, less easy to definitely disprove, and less subject to libel law than if he were to accuse them of being conscious Communist agents."

Indeed, the accusations of de Borchgrave, Moss, et al., are singularly lacking in any up-to-date support. Most of the "evidence" is ten to twenty years old. De Borchgrave and AIM continually cite the testimony of Ladislav Bittman, a former Czech intelligence officer who defected many years ago. Bittman gives no specifics, simply claiming that the Soviet Union had "many" agents of influence in the Western media. "Target America" stresses the revelations of Alexander Kaznecheev, an alleged KGB officer who defected in 1959, and spoke only of trying to get articles friendly to the Soviet Union in the press. And Secretary of State Haig, in his fulminations about Soviet support for international terrorism, evidently relied on the testimony of Jan Sejna, a Czech army officer who fled to the U.S. in 1968. According to the October 18, 1981 *New York Times*, even the CIA criticized Haig for relying on "10-year old testimony." "There is no substantial new evidence," an Agency official said.

Some of the ardent proponents of this thesis are the "former" CIA officers turned journalists, such as Cord Meyer and Jack Maury. One former CIA officer who did not toe the line, Harry Rositzke, had the temerity to question the message of Claire Sterling's turbid book, "The Terror Network." He did not believe that the Soviet Union was behind all the terrorism in the world. For this he was harshly attacked by Reed Irvine and Jack Maury, among others. Maury's response, in the September 23, 1981 *Washington Post*, contained some bold disinformation of his own. He detailed the confessions of a "defector" from the Cuban Mission to the United States; only the person about whom he spoke, Nestor Garcia, never defected and remains an official in the Cuban Foreign Ministry.

Newspapers, large and small, have been running features with headlines such as "Soviets Embark on New Campaign of Anti-American Lies" (Norwich, Connecticut *Bulletin*, April 14, 1981) *Newsweek* devoted its cover and many pages (November 23, 1981) to "The KGB in America." Both the State Department and the Congress fanned the flames. The State Department, which periodically produces reports on what it considers Soviet disinformation, most recently issued Special Report No. 88, "Soviet 'Active Measures:' Forgery, Disinformation, Political Operations." The Soviets, the Report pointed out, "use the bland term 'active measures' (aktivnyye meropriyatiya) to refer to operations intended to affect other nations' policies." (Why this is more "bland" than "special activities," the term the United States uses for covert actions, is unclear.) Among the active measures attributed to Soviet disinformation are the opposition to the NATO theater nuclear force in Europe, opposition to the neutron bomb, and opposition to "U.S. efforts to assist the Government of El Salvador." That the U.S. government views these positions, held by millions of people around the world, as Soviet disinformation would be humorous, were the stakes not so high, and the Reaganites not so serious. It was President Reagan, after all, who saw an international conspiracy to oppose U.S. policy on El Salvador because demonstrators in Canada carried "the same signs" as demonstrators in the U.S.: "U.S. Out of El Salvador."

Reports of a similar nature appear periodically in the *Congressional Record*; right-wing legislators such as Larry McDonald, John Ashbrook, and John Porter insert copies of the more lurid columns into the pages of the *Record* as well as the publications on this theme from the International Communications Agency publications which by law the ICA cannot circulate within the United States.

Tensions between the administration and Congress are also growing. On December 10 Constantine Menges, the CIA's national intelligence officer for Latin America, gave a "briefing" to the Senate Foreign Relations Committee which so incensed some of the members that they complained in writing to Director Casey. They called the session "a policy statement" which "seriously violated" the Agency's obligation to provide them with objective analysis. Senator Paul Tsongas of Massachusetts was so angry that he called the presentation "an insult" and walked out on the briefing.

The Voice of America and Radio Marti

A major concern of the Reagan supporters is the Voice of America. During the Eisenhower, Kennedy, and Johnson administrations, the Voice of America had become such a blatant propaganda machine that efforts had been undertaken to "reform" it, to make the news somewhat more impartial, and even to report, albeit gently, on matters of some embarrassment to the U.S., in the interests of establishing credibility. Although these reforms were minimal, they were clearly too much for the new administration. Reagan appointed as head of the International Communications Agency (ICA), the Voice of America's parent organization, his close friend Charles Z. Wick, a California nursing home magnate whose main qualifications appeared to be the fifteen million dollars he had raised for the Reagan presidential campaign. By mid-year, Wick moved into high gear, vowing to make the VOA a weapon in the campaign to counter Soviet propaganda. He

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accused the VOA of "erring on the side of imbalance against our Government."

Congress, at the urging of Senator Jesse Helms, insisted that propaganda aimed at Cuba was insufficient. Although the VOA had been beaming Spanish-language broadcasts on both medium wave and short wave to Cuba for over twenty years, this was not enough for Helms and his supporters. They urged the creation of a special Cuban service, to be named "Radio Marti." (Commentators pointed out that, ironically, Jose Marti is venerated by the present Cuban government as an intractable foe of U.S. imperialism who coined the phrase, "the belly of the beast.")

As plans for Radio Marti developed, the ICA inaugurated, in November, "Project Truth." Project Truth is a program designed "to provide a fast reply service to posts abroad when rumors or news reports about American activity thought to be untrue begin to circulate." (*New York Times*, November 4, 1981.) Under the project, a monthly bulletin, "Soviet Propaganda Alert," is sent to all ICA posts overseas. Another feature of Project Truth is a "news feature service" called "Dateline America," which will be disseminated through the ICA to foreign media willing to run it. The National Security Council has directed all government agencies to "cooperate" with Project Truth.

Wick, apparently subject to emotional outbursts, created some media incidents of his own. At an October 23 meeting of the National Council of Community World Affairs Organizations Wick announced, "We are at war." This startled participants so much that Wick was later forced to explain that he only meant a "war of ideas." At the same meeting, a participant questioned the accuracy of the White Paper on El Salvador, and Wick exploded, suggesting that the questioner was spreading Soviet disinformation. When someone at the meeting asked Wick about plans to cut drastically the ICA's budget for scholarships and student exchanges while keeping all the funds for propaganda, Wick called the question a "crypto-communist remark" and refused to answer. According to the *Washington Post* (November 10, 1981), Wick later apologized for the outburst.

Fears that academic programs may be subject to political tests also increased. On November 7 the ICA cancelled an African lecture tour it was to sponsor because the speaker, John Seiler, had published an article critical of Reagan's policy toward South Africa.

Editorials questioned Wick's "zeal," and suggested that he has a "weakness for simplistic approaches to complicated subjects like Soviet 'disinformation.'" Wick simply escalated the battle. On November 10 his subordinate, VOA chief James B. Conkling, announced the appointment of Philip Nicolaides as VOA coordinator for commentary and news analysis. Nicolaides was the author of a September 2 memorandum to Conkling, circulated within the VOA, which described the VOA as "a propaganda agency" which should function like an advertising agency selling soap. It called for the VOA to become more "hard-hitting" and to abandon the contention that VOA is a "journalistic enterprise." Conckling and Wick defended the appointment, praising Nicolaides as a "creative writer." They insisted that the recommendations of the memorandum—which Nicolaides said had been "stolen" from his office—had not been followed. The memorandum clearly stated that the goal of the VOA should be "to destabilize" the Soviet Union and its allies, to "portray the Soviet Union as the last great predatory empire on earth."

"Crypto-communist" and "disinformation" new buzzwords for Wick's ICA.

VOA staff were dismayed by the controversy, but those most concerned were eased out. Conkling's deputy, M. William Haratunian, was replaced, and said in his farewell memorandum that the was "deeply troubled by recent personnel actions." Rumors circulated that there was a "hit list" at VOA of personnel who would not toe the Wick line. On December 21 the VOA's chief news editor, Bernard H. Kamenske, announced that he was quitting, after more than 28 years. The *New York Times* editorially grieved his departure and the program of "over-eager ideologues."

On December 9 Wick announced "the formation of the first of four advisory committees of private citizens to provide advice and expertise to the agency." This first group, the "New Directions Committee," is comprised of individuals who run the gamut of political persuasion from right-wing to extreme right-wing. They include Norman Podhoretz, the neo-conservative editor of *Commentary* magazine; Michael Novak, the rabidly right-wing columnist who most recently promoted the hoax that Cuban soldiers had blown up a bridge in El Salvador; Evron Kirkpatrick, husband of U.N. Ambassador Jeane

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Kirkpatrick, and long suspected of having been a CIA agent; and Edwin J. Fuelner, Jr., the president of the Heritage Foundation.

The Attorney General and the Executive Order

Two significant events in December together help explain the dangerous direction in which the administration is really heading and underscore the preoccupation with disinformation. On December 4 the President signed Executive Order 12333 on United States Intelligence Activities; and in a December 18 speech in Los Angeles Attorney General William French Smith delivered what the *New York Times* described as "the first comprehensive discussion" of the order.

The Executive Order itself, repealing President Carter's 1978 order on the same subject, makes profound changes in the scope of authorized intelligence activities. [See sidebar for details.] As we have noted previously (*CAIB* Numbers 12, 14-15), the Reagan administration always intended to replace Carter's order, which it viewed as overly restrictive. Drafts were leaked in March and again in August; Carter, the Justice Department insisted, "had set up a burdensome

The Executive Order

From a civil liberties standpoint, the Carter Executive Order of 1978 was far from exemplary, and contained a number of unconstitutional authorizations. In brief, it allowed extensive spying on, and intrusions into the lives of, people who were not suspected of engaging in, or attempting to engage in, any crime. But the Reagan Executive Order of December 4, 1981 (E.O. 12333) authorizes much activity which was prohibited under the Carter version and, more importantly, sets an entirely different tone and philosophy for intelligence activities.

For example, the old Order was "intended to achieve the proper balance between protection of *individual rights* and acquisition of essential information." The new Order says that "collection of such information is a priority objective," and calls for "the proper balance between the acquisition of essential information and protection of *individual interests*." The old Order allowed such activities "as *permitted by* this Order," while the new version allows activities *"consistent with"* the Order.

The Carter Order stated that senior officials must ensure that activities "are carried out in accordance with applicable law," a provision deleted from the new version. It also required reporting of activities "which raise *questions of legality or propriety*," while the new Order requires reporting of activities "they have reason to believe may be unlawful."

The Carter Order also required that collection of information "must be conducted in a manner that preserves and respects established concepts of privacy and civil liberties." While it can be shown that the spirit of this provision was often ignored, the Reagan Order eliminates it entirely.

These differences are subtle indeed compared to the substantive changes in Part 2 of the Reagan Order, "Conduct of Intelligence Activities." For example, while the Carter Order also allowed the CIA to engage in collection of foreign intelligence and counterintelligence within the U.S., the latter was "subject to the approval of the Attorney General." Under the new order, such collection is to be conducted "as required by procedures agreed upon by the Director of Central Intelligence and the Attorney General." Thus specific CIA activities will not be subject to particularized scrutiny.

Most significantly the new Order allows the CIA for the first time to engage in covert operations in the U.S., so long as they are "not intended to influence United States political processes, public opinion, policies, or media." How this qualification can ever be enforced is unclear.

The Carter Order allowed physical surveillance by the CIA of a U.S. person abroad only if the person "is reasonably believed to be acting on behalf of a foreign power, engaging in international terrorist activities, or engaging in narcotics production or trafficking." The Reagan Order allows such surveillance merely to obtain "significant" foreign intelligence. Since foreign intelligence is defined to include "information relating to the capabilities, intentions and activities of foreign powers, organizations or persons," it is obvious that virtually any American overseas, dealing with any foreigners, will be subject to such surveillance.

The Reagan Order now allows warrantless unconsented physical searches, mail surveillance, monitoring, and similar techiques, if "there is probable cause to believe that the technique is *directed against a foreign power or an agent of a foreign power*." The former version of the Order required "probable cause to believe that the United States person is an agent of a foreign power." It is unclear what the Reagan administration means by a technique "directed against a foreign power." One cannot search, follow, or monitor a "foreign power." The new language would seem to authorize such intrusive techniques to be used against a person who is *not* suspected of being a foreign agent, merely if the person is in contact with foreigners.

The provisions relating to undisclosed participation in domestic organizations have also been substantially modified. The agency heads, rather than the Attorney General, may now approve such tactics, and they determine whether "lawful purposes" are to be achieved.

Finally, it has been reported that 30 pages of secret guidelines are being prepared to implement the new Executive Order. It is likely that here, under cover of secrecy, the dangerous orientation of the new administration will be given effect. —

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array of requirements" which had to be changed.

During October and November there was an open debate, primarily through newspapers, over the most egregious aspect of the original drafts, provisions to allow the CIA to engage in "special activities" in the United States. As we suggested in our April issue, this appears to have been a tactic—quite a successful one—to deflect attention from the many other evils of the proposed Executive Order.

Congress and most commentators focused on two aspects of the proposed Executive Order. These were the provisions allowing the CIA, as well as the FBI, to infiltrate and manipulate domestic organizations, and those allowing the CIA a free hand to "collect foreign intelligence or counterintelligence information" within the United States.

Controversy raged. No less an authority than former CIA Director Stansfield Turner wrote, in a November 1 *Washington Post* commentary: "Why should we be concerned about [authorizing the CIA to look into the activities of Americans]? Because CIA officers are not trained to operate in the domestic environment, where regard for law is a primary consideration. The ethic of intelligence is to get the job done in spite of local laws. It is unwise and unfair to force CIA operations into the domestic arena. It isn't necessary either, for that is exactly where FBI officers are trained to operate."

Turner pondered "the risks that the CIA would be overly zealous in the domestic arena," and worried that "information gained about Americans might be utilized for domestic political purposes." He feared "the politicization of intelligence." Critics of the CIA have worried about that, of course, since the Agency's inception, with activities such as Operation CHAOS justifying such concerns.

According to Ronald J. Ostrow of the *Los Angeles Times*, the CIA insisted that the change would give the Agency no greater latitude than it has at present, but that it wanted only to "maintain our capabilities to do the kinds of things we do abroad." However, as Admiral Turner pointed out, what the CIA does abroad is break the law constantly.

Although Justice Department officials belittled Turner's fears, real cause for concern became apparent in late January. At that time CIA Director Casey wrote to the Attorney General asking that the federal criminal code be amended to provide complete immunity for intelligence operatives' conduct while on the job. This startling request, which was barely reported in the media, has ominous implications. As it is, there is little control over CIA operatives; if they also are given immunity from prosecution there will be no limit to the enormity of the crimes they could commit, at home as well as overseas.

The outcome of informal negotiations between Congress and the administration was minimal. The CIA cannot conduct domestic operations to collect foreign intelligence *unless* it is "significant foreign intelligence." "Significant" is not defined, and would seem to include anything the CIA desires. The CIA was given approval to infiltrate domestic organizations, but not, as contrasted to the FBI, the authorization to manipulate them, unless the organization is "composed primarily of individuals who are not United States persons and is reasonably believed to be acting on behalf of a foreign power." This provides little consolation to exile groups and various international solidarity organizations. Moreover, the express authority given the FBI not merely to infiltrate but also to influence domestic organizations is a frightening break with precedent. Not that it hasn't happened all along; but now it has been legitimized by the President. In addition, the distinction—that the CIA can infiltrate, but not influence—is specious. It is impossible to infiltrate an organization without influencing it to some degree. Otherwise the infiltrator would be obvious.

The Spreaders of Disinformation

But it is the gloss given the Executive Order by the Attorney General's speech which highlights the administration's focus on "disinformation." A connection with "foreign intelligence or counterintelligence information" is enough to subject one to CIA domestic action. Counterintelligence is defined as "information gathered and activities conducted to protect against espionage, other intelligence activities, sabotage, or assassinations conducted for or on behalf of foreign powers." And foreign intelligence means "information relating to the capabilities, intentions and activities of foreign powers, organizations or persons."

When the Attorney General made his speech, on December 18, he discussed the threat of foreign agents. He talked about international terrorism and he spoke of the theft of technological secrets. But then he went on: "Perhaps even more insidious is the threat posed by hostile 'active measures' in this country, which are aimed at influencing public opinion and the political process through 'disinformation' and 'agents of influence.'"

The implications of this remark are staggering. Spreading disinformation is tantamount to espionage; those who spread disinformation are fair game for the CIA; and, as we have noted above, the administration's ideologues believe that everyone who disagrees with U.S. foreign policy is spreading Soviet disinformation. Most critics of the Executive Order have focused on the threat to the Fourth Amendment—freedom from unreasonable searches and seizures. They must contemplate also the threat to the First Amendment—freedom of expression.

The Clampdown

The clampdown has already begun. In our last issue we described "the return to super-secrecy," and outlined a number of steps taken and proposed by the administration to make it more difficult for the American people, and of course the rest of the world, to learn of the activities of the government.

Three major developments occurred in January 1982. First, on January 6 the administration announced that it was ready to brief Congress on its new proposed Executive Order on classification, versions of which had been circulating since October. Almost immediately, the briefing was cancelled, and the draft was circulated to government agencies for comment. Here too the plan is to replace, by executive fiat, a Carter Executive Order on the same subject. The move, in the words of the Associated Press, "would reverse a 25-year-old trend toward restricting the power of government officials to shelter information from public view." The new proposal reverses the presumptions of the Carter Order and specifies that when there is "reasonable doubt" about the need to classify a document, it

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should be done.

Moreover, while the Carter order had spoken of the need to balance government secrecy against the public's right to know, the new draft makes "national security" the sole basis for classification decisions. It may also have the effect of exempting completely the CIA and the entire intelligence complex from the requirements of the Freedom of Information Act, since it mandates the withholding of "information relating to intelligence sources and methods." As critics noted, the CIA can claim that virtually all of its material relates to "intelligence sources and methods." Since the FOIA itself exempts from disclosure material which has been properly classified according to law, this provision would allow the CIA and the other agencies to remove themselves from the coverage of the FOIA without specifically amending that law, something the Agency has called for, but until now been unable to obtain.

A second draft was discussed in an Associated Press bulletin January 21. The revised version, just submitted to Congress, still contains all of the objectionable provisions noted above.

On January 7 the CIA launched an unprecedented attack on the scientific community. Deputy Director Admiral Bobby Ray Inman addressed the annual meeting of the American Association for the Advancement of Science and demanded that scientists submit their research papers for CIA review prior to publication to curb Soviet acquisition of technological developments. If scientists would not submit to censorship voluntarily, Inman noted, they face a government crackdown, and will be "washed away by the tidal wave of public outrage."

Representatives of the scientific community called the proposal "disastrous," "a nightmare." As one university spokesman observed, if scientists do not publish, "we would lose the science ourselves. We would be the bigger loser."

Plugging Leaks

Then, in mid-January, reports circulated indicating that the administration was incensed over leaks to the media, and intended to "use all legal methods" to stop the problem. The irony is that for decades the biggest leaker in this country has always been the administration in power. Leaking proposed government plans is often the best way to gauge public reaction and allow for changes before final action is taken.

The new requirements were extremely sweeping. All government departments were told that every major interview must be cleared with the White House, and those involving national security issues would require detailed advance information on the substance of the proposed interview, and if approved, a comprehensive memorandum of the interview afterwards. Following extensive press criticism, the administration dropped these provisions but instituted a new form for keeping track of every individual's access to all classified documents. Each reader will have to sign a cover sheet acknowledging that it is against the law for them to discuss the contents of the item with any unauthorized person.

The concept that government employees must get advance approval to leak information is of course self-contradictory, and the notion that this administration will be able to prevent leaks any better than previous ones is far-fetched. But that it is serious is clear. The Pentagon, for example, is planning to reverse a 1965 ruling that its employees could not be forced to take lie detector tests. Polygraph examinations, highly suspect by almost every agency except the CIA, are already under way. Deputy Secretary of Defense Frank C. Carlucci, a former Deputy CIA Director, was reportedly "enraged" when details of a January 7 meeting of the Defense Resources Board appeared in the press. He magnanimously took a lie detector test and "offered" one to others with knowledge of the meeting. A Defense spokesman acknowledged that no national security information was involved in the leak, but went on, "It's the principle of the thing that we strenuously object to the expression of minority opinion via leaks to the news media designed to influence the course of events."

There have been a few other developments in this area. Last issue we noted that the CIA was "curtailing" the extent of its publication of reports and analyses. On November 10 the Agency announced that it will stop such publication completely, because "they take too much time to prepare and draw too much attention to the agency." Among publications to be discontinued are the CIA's studies of international terrorism and estimates of future Soviet oil production, two sources of extensive embarrassment to the Agency last year.

Finally, there is a bizarre and little-noticed provision in a proposed revision of the immigration laws submitted by the administration to Congress in October. The bill would allow the President to declare "immigration emergencies," such as uncontrollable influxes of immigrants from Cuba or Haiti, for example. These emergencies could last up to an entire year and would activate various emergency powers. Among these powers would be the right of the President to restrict the domestic travel of Americans, previously unknown in peacetime.

Conclusion

What does it all mean? There is little hope that the trends of the new administration discussed in previous issues have lost any momentum. On the contrary, the Reagan team seems bent on overreaching, overreacting, and infusing an ideological narrowness into all aspects of government. Clearly, national security has become a shibboleth by which all manner of unprecedented restrictions on the democratic rights of Americans, such as they are, will be imposed.

It is not rhetoric to claim that "thought control" is on its way. The massive campaign to equate dissent with disinformation has ominous overtones when taken in conjunction with the Executive Order as interpreted by the Attorney General. COINTELPRO and Operation CHAOS are alive and well. The government wants, on the one hand, a blank check to spread its disinformation, and on the other, vast powers to prevent anyone from accusing it of doing so. Clearly, truth is the first casualty of cold wars as well as hot wars.

Massive resistance to this trend is necessary. Journalists, scientists, whistleblowers, everyone must continue to fight to expose the government's lies. People cannot accept the proposition that telling the truth is a crime. If they do, the country and the world are in big trouble. —

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CIA Media Operations in Chile, Jamaica, and Nicaragua

By Fred Landis*

In the last decade, four American nations have chosen a socialist road to development—Chile, Jamaica, Nicaragua, and Grenada. In the first three cases the CIA responded, among other actions, by virtually taking over the major newspaper in that country and using it as an instrument of destabilization. (Grenada closed the opposition newspaper shortly after the revolution for failure to comply with local ownership laws.)

The appropriation of newspapers by the CIA proceeds through certain discrete, identifiable stages. These include: using an international press association, firing many of the staff, modernizing the physical plant, changing the format of the front page, using subliminal propaganda, assassinating the character of government ministers, promoting a counter-elite to replace the socialist government, spreading disinformation, using divisive propaganda to create artificial conflicts within the society, dusting off stock CIA stories and themes, coordinating the propaganda effort with an economic, diplomatic, and paramilitary offensive, and generally following the blueprint for psychological warfare as outlined in the U.S. Army *Field Manual of Psychological Operations*.

The stages the CIA embarks upon in taking over a newspaper, combined with the drastic changes of the front page, are so specific that it is possible to identify the Agency's hand in the effort. When the propaganda offensive is coordinated with economic sabotage, paramilitary terrorism, and other psychological activities using known CIA fronts, one can state positively that a covert operation is underway.

The CIA has access to over 200 newspapers, advised by its World-Wide Propaganda Guidance Desk, which issues a "Bi-Weekly Propaganda Guidance" to every CIA station, for use in dealing with local media contacts. There is a continuing propaganda effort precisely to avoid crises like Chile, Jamaica, and Nicaragua. The purpose of this article is to describe what a CIA newspaper looks like during a crisis.

I first learned about the CIA's propaganda methodology in Chile in 1973 while I was working on a Ph.D. dissertation on changes in the mass media during the Allende period, especially the newspaper *El Mercurio*. About a year later, the Senate Intelligence Committee chose Chile as a case study of CIA covert action. For the first time, the U.S. government would give official status to a report on CIA covert activity. Also for the first time there were several former CIA analysts on the Congressional investigative staff familiar with CIA methods, who knew exactly the right questions to ask. With copies of my dissertation in hand, they went to CIA Headquarters to ask about Chile. Subsequent studies of CIA covert operations make frequent reference to Chile, and articles on the CIA and the media rely heavily on the case of *El Mercurio*.

During subsequent years I monitored several Latin American newspapers but saw nothing like the *El Mercurio* of 1970-1973. Then in 1980, the Jamaica *Daily Gleaner* underwent the same metamorphosis. The Jamaican Press Association launched an investigation focusing on traditional areas of journalistic concern: the firing of journalists from the *Daily Gleaner*, the systematic appearance of fabricated stories, and the violation of traditional ethics of the profession. I was invited to testify before a Commission of Inquiry and explained that these changes were a by-product of the CIA taking over the newspaper. The Press Association issued a 32-page summary of my testimony in booklet form entitled "Psychological Warfare in the Media: The Case of Jamaica."

In May 1981 I helped the Union de Periodistas de Nicaragua with a similar report which appeared in installments in the newspaper *Barricada* July 8-22. The methodology to be discussed here can also be found in my dissertation, "Psychological Warfare and Media Operations in Chile: 1970-1973;" "Covert Action," Volume 7 of the 1975 Hearings of the Senate Church Committee; "The CIA and the Media," 1977-1978 Hearings of the House Intelligence

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***Fred Landis, a Chilean-born American psychologist, received his Ph.D. from the University of Illinois based upon his thesis, "Psychological Warfare and Media Operations in Chile, 1970-1973." He served as a consultant for the Subcommittee on CIA Covert Action in Chile of the Church Committee. He is the co-author, with Donald Freed of "Death in Washington: The Assassination of Orlando Letelier" (Lawrence Hill & Co.: 1980), and has contributed articles to many magazines, including the *CovertAction Information Bulletin*.**

This article reflects the content of a 30-minute color video movie produced by Landis entitled: "CIA Media Operations, A Study in Imagination and Perversity." Organizations interested in showing this film, together with a lecture by Dr. Landis, should contact him at P. O. Box 3068, Anaheim, CA 92803.

Arturo Cruz, who was the Nicaraguan Ambassador to the U.S. when this article was written, has since resigned, but continues to support the Sandinista government.

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Committee; and the above-cited reports of the Jamaican and Nicaraguan Press Associations.

The Methodology

The first step of the process is to elevate the owner of the target newspaper to the Board of Directors of the CIA-influenced Inter American Press Association. The December 26, 1977 *New York Times* quoted a high CIA official referring to IAPA as "a covert action resource" of the Agency. Next, IAPA lists the country in question as one in which freedom of the press is threatened. The Technical Services Division of IAPA is sent to "modernize" the newspaper. These "technical" improvements nearly always include getting rid of the typesetters, whose union is usually leftist in Latin America. Most of the editorial staff, even including some conservatives, is fired.

The style of the front page of the newspaper is changed dramatically, from that of the conservative *London Times* to that of, for example, the sensationalist *New York Post*. Screaming headlines and huge photos on related themes replace the previous randomness of unrelated news stories. The usual conservative newspaper in the Third World emphasizes what is happening in Europe and the United States. But in a media operation, local news suddenly takes over. Local catastrophes become the only image of the world—a dark, frightening, and claustrophobic place.

Headlines in a newly CIA-influenced newspaper have an exclusively negative nature, blaming the socialist government for all the ills which suddenly befall the country. Where sufficient local problems cannot be manufactured, stories from other times or other countries are made into "news" in order to further a given theme: "Economic Collapse in Cuba;" "Economic Collapse in Poland;" "Economic Collapse in Nicaragua." The front page looks more like a political poster than a newspaper. The "news" is a carefully selected collage pushing a few simple themes, aimed at discrediting the government and creating divisions among the population.

The first theme is economic chaos, because this is the easiest for the U.S. to create. Foreign aid is cut off; the Inter-American Development Bank and the World Bank cut off loans; private U.S. banks cut off loans; spare parts for U.S.-manufactured machinery are denied.

The next theme is social chaos. In almost every country there are bizarre incidents which a conservative newspaper normally will not touch. Suddenly this *National Enquirer*-type material fills the front page: Violence, chaos, permanent crisis, unnatural events, omens from heaven, death, gruesome food stories, household pets who eat their masters, children who inform on their parents, servants who turn on their employers, etc. The difference is that after creating a climate of tensions, this situation is blamed on the government: First on the ideology that the government represents (socialism) and then on the government itself; first by insinuation and then explicitly; first with humor and then with terror; first with character assassination and then with physical assassination.

Strategically, the attack on government ministers proceeds like a chess game in which one eliminates the pawns and works up to the king. In Chile, there were no direct attacks on President Allende until all his Cabinet ministers had been individually ridiculed, isolated, discredited, and often forced to resign. In extreme cases, character assassination is followed by physical assassination, as was the case with three successive Chilean Ministers of Defense, Rene Schneider, Carlos Prats, and Orlando Letelier.

Subliminal Propaganda

Indirect attacks on government ministers employ the juxtaposition of photos of the targeted official with unrelated headlines, subliminal propaganda, and pre-selected word associations.

In the December 5, 1980 *La Prensa* in Nicaragua, a photo of FSLN leader Humberto Ortega is adjacent to a photo of a mutilated body. Connecting them is an official Sandinista police badge allegedly found near the body.

Pronostican más lluvias
Curso de emergencia siquiátrica!
Cadáver encontrado de la CST 3c. arriba y 1/3c. al lago, cerca de los pies de la víctima se hallaba un carnet (señalado por la flecha) de la Policía Sandinista.
Remueven a un Juez
Presidente del BID confía en el futuro de Latinoamérica
H. Ortega comenta
Consegui
El comandante Humberto Ortega, afirma que

La Prensa, December 5, 1980: Photo of Humberto Ortega by mutilated body.

During the 1980 election campaign in Jamaica, the *Daily Gleaner* placed the photos of three cabinet ministers over the headline "23 Men Rape 15-Year-Old Girl." The entire page was carefully laid out to produce shock effect. Reading the story carefully it becomes clear that the photos have nothing to do with the headline; but the emotional shock effect has been accomplished.

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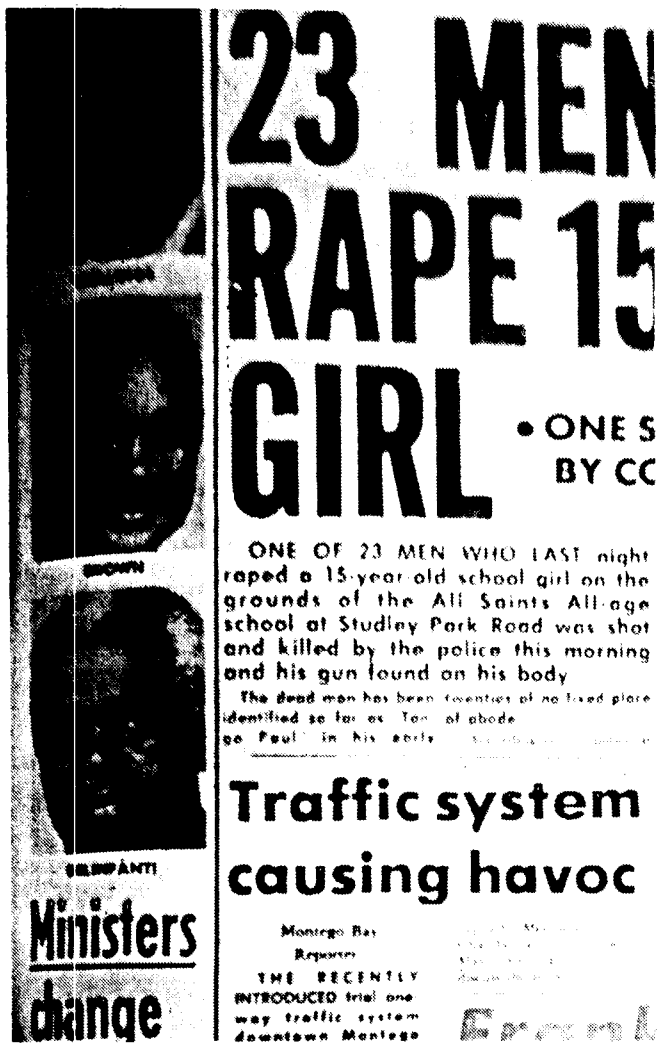
23 MEN
RAPE 15
GIRL
• ONE S
BY CC
ONE OF 23 MEN WHO LAST night raped a 15-year-old school girl on the grounds of the All Saints All-age school at Studley Park Road was shot and killed by the police this morning and his gun found on his body
Traffic system causing havoc
Ministers
change

Sometimes a semantic association will be involved. On September 25, 1972, *El Mercurio* subliminally associated the rape and murder of a schoolgirl with the Minister of Education. Seven years later in Jamaica, photos of Anthony Spaulding, the Minister of Housing, were placed next to photos of and headlines about houses burning down.

***El Mercurio*, September 25, 1972: Story about Minister of Education next to article entitled, "Horrible Murder of a Young Girl."**

This practice of destroying the moral authority of "enemy" leaders by pictorial insinuation derives from experimentation during World War II in the production of propaganda leaflets. The U.S. Army *Field Manual of Psychological Operations* (FM 33-5), in the section dealing with the preparation of psychological warfare leaflets, recommends the use of pictorial or graphic insinuation as being more effective among a local population than direct attacks on their leaders, which might be met with resentment and rejection. Paul Linebarger, the Godfather of modern CIA media operations, placed great emphasis on the success the U.S. encountered when the psychological warfare leaflets were prepared in the style and format of a German newspaper. Linebarger studied both Allied and Axis propaganda efforts and concluded that the British were superior, because they *disguised their propaganda as news.*

Among radio, TV, and newspapers, the highest credibility is accorded the print media. Conservative newspapers have higher credibility among all social classes in Latin America than government newspapers, newspapers openly identified with a political party, or populist rags. This helps to explain why, in the three cases examined here, the CIA took over the major conservative newspaper in each country.

The reason the new front page resembles a psychological warfare leaflet is because it *is* a psychological warfare leaflet. The historical progression is clear. First the U.S. Army Propaganda Battalion produced leaflets which attacked enemy leaders by pictorial insinuation. Next, leaflets were prepared in the style and format of an enemy newspaper. Today, the CIA simply takes over the newspaper itself.

The reason a CIA-influenced newspaper changes its front page into a psychological warfare leaflet has to do with the enormous effect which this type of activity is deemed to have. An indication of this magnitude is given in *The War on The Mind*, by British sociologist Peter Watson, wherein he points out that in the single month of May 1968, three hundred million PSYOPS (U.S. Army Psychological Operations) leaflets were dropped on Vietnam. According to Paul Linebarger, several billion PSYOPS leaflets were dropped by the U.S. in the German theater of operations alone. Given the personnel needed to print the leaflets and fly them over enemy territory, it is surprising that so little has been written on the subject.

IAPA-CIA Collaboration

At least during World War II, with bombers dropping the leaflets, the source was evident. Today, the mastheads of the conservative newspapers are used to disguise the real source.

IAPA stands ready, with all its hundreds of cooperating member newspapers, to scream "Marxist Threat to Free Press" if any attempt is made by the target government to restrict the flow of hostile propaganda. In 1969 the CIA had five agents working as media executives at *El Mercurio*, all of whom in subsequent years were elevated to the Board of Directors of IAPA. The owner of *El Mercurio* was made head of the Freedom of the Press committee, and later President. IAPA bylaws permitted only working owners to be members, so the bylaws were changed to accommodate him. Then many of the CIA operatives at

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Copley News Service were made members of the Board of Directors of IAPA. Immediately before the campaign to oust socialist Prime Minister Michael Manley, Jamaica *Daily Gleaner* publisher Oliver Clarke was added to the Executive Committee; he has now been promoted to Treasurer. At the last annual convention in San Diego, IAPA elevated Pedro Joaquin Chamorro, Jr., to its Board of Directors. At that time he was not an editor or publisher of *La Prensa*, but the CIA needed him because he had the same name as his martyred father. After his elevation he was belatedly made Assistant Director of *La Prensa*, and when he was recently added to the IAPA Executive Committee, *La Prensa* began carrying the IAPA membership credential in its masthead. At the last IAPA meeting in Rio de Janeiro in October, speeches, including those by Vice-President Bush, were dominated by alarmist references to the situation of the press in Nicaragua.

Obviously the owner of a conservative newspaper in Latin America does not need CIA money to be against a socialist government. The assistance provided by the CIA is primarily technical, not financial. Without CIA help, the local newspaper's opposition would be openly stated on the editorial page in language reflecting the ideology of the local conservative elite. That would be ideological warfare, not psychological warfare. But the CIA is not concerned, in these operations, with local ideology; it is concentrating on the use of its bag of technological dirty tricks. One of these tricks is disinformation.

Disinformation

Disinformation is a special kind of "black" propaganda – the CIA's term for the use of false information usually supported by forged documents. CIA practice in this area is discussed in a recent article in *The Nation*, "Foreign Policy By Forgery" (April 11, 1981), by Ralph McGehee, a 25-year veteran CIA analyst. Despite CIA censorship and even after numerous deletions, the article notes:

> "Where the necessary circumstances or proofs are lacking to support U.S. intervention, the CIA creates the appropriate situations or else invents them and disseminates its distortions worldwide via its media operations . . . Disturbed at the Chilean military's unwillingness to take action against Allende, the CIA forged a document purporting to reveal a leftist plot to murder Chilean military leaders. The discovery of the 'plot' was headlined in the media and Allende was deposed and murdered. There is a similarity between events that precipitated the overthrow of Allende and what happened in Indonesia in 1965. Estimates of the number of deaths that occurred as a result of the latter [word deleted; probably "deception"] operation run from a half million to more than one million people. . . ."

The principal disinformation agent involved in the Chilean deception was Robert Moss, who seven years later co-authored *The Spike*, arguing that the Soviets had invented this strange technique called disinformation. First Moss wrote of a secret army of Cubans in Uruguay. After the military *coup* in Uruguay, he claimed there was a secret army of 14,000 Uruguayan, Bolivian, and Cuban leftists in Chile. After the Chilean *coup*, Moss discovered a secret army of 5,000 Chilean leftists in Portugal. On October 8, 1979, Moss wrote in the London *Daily Telegraph* that there was a secret army of 5,000 Cubans in Jamaica. This article was reprinted in the Jamaica *Daily Gleaner* under the headline "Castro Plans to Make Jamaica an English-Speaking Cuba." According to the Jamaican government, there were only 420 Cubans in Jamaica, most of them teachers, doctors, and agricultural experts. In the August 10, 1981 *Daily Telegraph*, Moss discovered yet another 5,000 Cubans "deployed" in Nicaragua.

Psychological operations may be divided into two principal types according to purpose: stability operations and destabilization. In the case of a government considered friendly, CIA propaganda is designed to create a positive image of that regime and in general to support its stability. In previous articles in *CAIB*, we have cited the examples of Arnaud de Borchgrave's defense of the Shah of Iran and Robert Moss's fulsome praise of the Chilean Junta.

Destabilization is a word which entered world currency when former CIA Director William Colby used it to describe what the CIA had done to Chile. Destabilization means that having studied the glue that keeps a society together, one then uses that knowledge to make that same society come unglued. Among the methods used, according to the *Manual of Psychological Operations*:

> "To stimulate dissension between military and political estates; to undermine confidence in leadership; to encourage disaffection on the part of religious, ethnic, political, economic and other elements, against the government or against each other; to make friendly leaders stronger and enemy leaders weaker."

Channels of Disinformation

The mere appearance of divisive propaganda, "black" propaganda, and disinformation is *prima facie* evidence of a psychological operation run by a hostile intelligence agency. One of the methods for determining when it is a CIA operation is to trace the hidden channels for moving disinformation into the target country. I call this process the circulation of non-news or the laundering of "black" propaganda. As described by Philip Agee:

> "For example, the CIA station in Caracas can cable information on a secret communist plot in Venezuela to the Bogota station which can 'surface' through a local propaganda agent with attribution to an unidentified Venezuelan government official. The information can then be picked up from the Colombia press and relayed to CIA stations in Quito, Lima, La Paz, Santiago . . ."

If done properly, it is very difficult to trace any of this activity to the CIA. First, the "black" propaganda item is laundered through a reputable news organization in order to disguise the source. Then CIA proprietary news organizations move the story around – the circulation of non-news. One clue in uncovering this technique is the attribution of a sensational news story to a far-away source. In the above example, how could a Colombian newspaper be the first to know about a secret plot in Venezuela?

Let us examine a recent fake headline in *La Prensa* to illustrate the laundering of "black" propaganda. On August 16, 1981 *La Prensa* headlined that Nicaraguan Chancellor Miguel D'Escoto had gratuitously insulted the

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Catholic Church. D'Escoto categorically denied having made any such statements. *La Prensa* then said its source was the Miami-based *El Diario de las Americas*. This is a Cuban exile newspaper which shares office space with IAPA, and which has a number of CIA agents on its staff. *El Diario*'s head, Horacio Aguirre, is the new President of the IAPA Executive Committee. *El Diario de las Americas* in turn attributed the source of the alleged D'Escoto interview to an obscure Mexican newspaper, *El Periodico*, which at the time it carried the interview had been in existence only a short time. It claimed as its source a taped interview made six months previously by one of its reporters in New Delhi. How can a fledgling Mexican newspaper afford to send a reporter to New Delhi? How do they manage to make an eight-column headline out of an interview that allegedly took place six months earlier? When challenged by D'Escoto to produce evidence of such an interview, the reporter claimed that the tapes were garbled, as his batteries had run out.

Symbols

Perhaps the most specific feature of a CIA-controlled newspaper is the abandonment of any attempt to convey its message in the text, and its reliance instead on a few key symbols planted on the front page. The symbols manipulated are those which have strong emotional associations for the target group. By simply placing the key word near a photo of government leaders, a crude behaviorist attempt is made to condition new associations and new values to familiar personalities.

For the purpose of identifying this kind of propaganda in the following analysis, the items discussed are from the front page only, and within that page headlines, photos, and captions under photos:

LA PRENSA

Cruz se despide:

Primera preocupación: Que se mantenga la Paz

De servicio en Tipitapa

Investigan a 21 policías!

Se va el Cuerpo de Paz

62,416 ejemplares certificados!

***La Prensa*, March 7, 1981: On top, the word "cross" (cruz) and the word "peace" (paz); between them the word "leaving" (despide). The message: The cross is leaving Nicaragua; peace is leaving Nicaragua.**

In the middle of the page are three photos of a government leader with a convenient name, Cruz (cross); below there is the headline "Peace Corps Is Leaving." The three photos of Cruz and the caption under the photos all say "cross" over that headline. The message thus repeats the association, "cross is leaving," "peace is leaving." The headline "Peace Corps Is Leaving" was a fraud, in fact, there being no Peace Corps operation in Nicaragua at that time to leave. The leftist press considered the fake headline to be a provocation and ignored the emotional manipulation of cross and peace. In my dissertation there is an entire section devoted to fake headlines in *El Mercurio*. Only later did I realize that *all* the illustrations used were adjacent to photos of government leaders.

HAPPENINGS HERE A

Talking tourism

'Plot to assassinate police officers'

Ramon Castro, expert, visits

***Daily Gleaner*, November 13, 1979: Photo of Prime Minister Michael Manley at a social event is directly above a story entitled "Plot to Assassinate Police Officers."**

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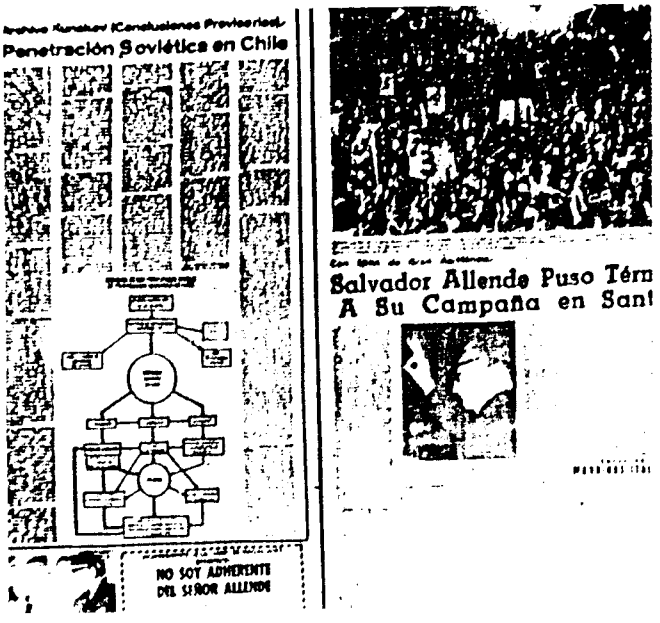
For three years President Allende's picture appeared rarely in *El Mercurio*, but whenever it did it was always next to headlines which included the words Soviet, communist, Marxist, violence, or death.



***El Mercurio*, September 2, 1970: A photo of Salvador Allende is placed next to an unrelated story entitled "Soviet Penetration in Chile."**

***El Mercurio*, March 1, 1972: Another photo of Salvador Allende placed next to a story about a Soviet nuclear submarine base and another story about a "secret mission of the Communist Party."**

Several other examples, which cannot be illustrated here due to space limitations, can be noted: The August 28, 1970 *El Mercurio* had a photo of Minister of the Economy Pedro Vuscovic next to a huge photo of a noose hanging over a baby's head with the headline "Wanted to Strangle This Baby." The June 12, 1972 *El Mercurio* has another picture of Vuscovic next to a headline "Mother Raped, Assassinated."

The March 31, 1980 *Daily Gleaner* carried a photo of Michael Manley next to two unrelated headlines, "Dark Future," and "Reds Took Over." The January 6, 1976 *Daily Gleaner* (during the election campaign) had a photo of Manley next to an unrelated headline, "Policeman, Two Others Shot." This was repeated in the January 6, 1978 issue which carried a photo of a dead policeman with the related headline "Policeman Shot," next to an unrelated article about Manley, entitled "A Cadillac for the Prime Minister."

By the simple juxtaposition of photos with unrelated headlines, government leaders in socialist countries and the ideology they represent are associated with death, plagues, and violence. The new *El Mercurio-Daily Gleaner-La Prensa* are more similar to each other than to their old conservative formats. The immediate reaction of people when shown examples is that the pattern is clear, but how does one know it works? In fact, it has long been an article of faith among the "small effects" communications theorists that propaganda of any kind has little demonstrable effect on voting and similar political behavior. This unwarranted assumption was being repeated by an unwitting southern Congressman to Dr. Frederick Frei of the Massachusetts Institute of Technology. The Representative was arguing against funding propaganda on the ground that no substantive benefits to the national security derived from such activities. Dr. Frei revealed, however, that actual studies conducted in Chile and Turkey proved the contrary. From the undeleted portions of the censored testimony it was clear that Dr. Frei was referring to the 1964 Chilean elections when the CIA spent a reputed twenty million dollars to stop Allende. While Dr. Frei's testimony may have been self-serving, it can be taken as evidence of a CIA belief that their peculiar anti-Allende propaganda methods do work. In a book published in Venezuela in 1968, *Interviene La CIA en Investigaciones Sociologicas en Venezuela*, by Rodolfo Quintero, Frei was described as a CIA agent.

The "Semantic Differential"

Behavioral conditioning by highly selective, emotionally-charged words has come to be the most distinguishing characteristic of CIA propaganda, due to the influence of three men: B. F. Skinner, Charles Osgood, and Edward Lansdale.

During the days of the OSS, the CIA's predecessor, U.S. propaganda was heavily influenced by Freudians. Later the Pentagon and the CIA came to regard the views of B. F. Skinner as being more pragmatic. Skinner wrote a book called *The Behavior of Organisms*, based entirely on observing the behavior of white mice and pigeons.

Modern attitude theory is a branch of behaviorism which views the higher mental functions as explainable in terms of stimuli and response. A mental concept has logical associations, or meaning, and emotional associations, or affect.

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Psycholinguists have long believed that the grammatical and semantic features of a given language shape the world view of its speakers. Merely by studying the language of a culture it should be possible to uncover hidden psychological processes peculiar to that culture. If, in addition, one analyzed such matters as characteristic word associations and the emotional associations of certain key words, one could use psycholinguistics to prepare psychological profiles not only of cultures but also of individual leaders.

Professor Charles Osgood, whose research was funded by the CIA and used in the Agency's MK-ULTRA program, developed a technique called the "semantic differential" which can do all of the above.

Edward Lansdale, a notorious veteran of both the OSS and the CIA, glorified in *The Ugly American*, operated on the philosophy that in each foreign culture there was some hidden psychological key which, if discovered, would permit the minds of the people to be easily manipulated.

In 1958 the semantic differential became the official method chosen by the CIA to search for this hidden key. Twenty years later the CIA released boxes of previously classified records covering its MK-ULTRA experiments in the field of psychological and mind control research. Based on these documents, John Marks wrote in *The Search for the "Manchurian Candidate:" The CIA and Mind Control*:

> "Agency officials saw his research as 'directly relevant' to covert activities. They believed they could transfer Osgood's knowledge of 'hidden values and cues' in the way people communicate into more effective overseas propaganda. Osgood's work gave them a tool called the 'semantic differential'—to choose the right words in a foreign language to convey a particular meaning." [In 1958 the CIA gave Osgood $192,975 to finance a world-wide study of 620 key words in 30 cultures using the semantic differential.]

The reason for dwelling at such length on the topic of the semantic differential is that it explains a host of phenomena unique to CIA propaganda: why certain words are used and others are not; the use in propaganda of words that *sound like* communism; the attempt at behavioral conditioning of previously positive terms into negative ones by simple physical association; the projection of a highly-polarized world view in which the government is depicted exclusively in terms that reflect not only the expected negative attitude, but also impotency and passivity.

By 1974 I had concluded that whoever was running *El Mercurio* was using the semantic differential. Interestingly, it was Charles Osgood himself who agreed with this analysis and helped me to prove it. The voluminous MK-ULTRA records released by the CIA in 1978 confirm that the semantic differential is the strategic intelligence on which CIA propaganda targeting is based. It is to CIA psychological warfare the equivalent of the inertial guidance system of an atomic missile.

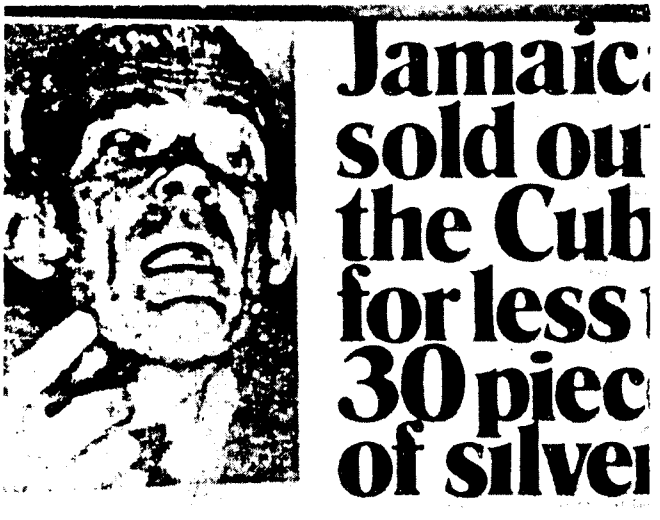
Subliminal Methods

The combined effect of word associations (derived from the semantic differential) with subliminal imbeds is so strong that it displaces any other message.

The intense psychological and physical fear aroused in viewers of the film *The Exorcist* is notorious. Not as well known is the fact that these reactions were the result of the use of very strong subliminal messages, in particular of a death mask. The subliminal use of the death mask in *The Exorcist* has been widely discussed in many publications. It should be noted that William Peter Blatty, the author, has stated that he was involved in psychological warfare operations in Viet Nam.

As described in *Media Sexploitation*, by Wilson Brian Keys, *The Exorcist* was "a brilliant repertoire of visual and auditory subliminal innovations. . . . There is no possibility of rational decision making or defense, since consciousness is bypassed completely. Numerous times during the movie there was a flash of light and the face of Father Karras momentarily appeared as a large, full-screen death mask apparition. . . . At the movie's climax, when Father Karras was possessed by the devil, his face turned white—closely resembling the tachistoscoped death mask."

During the 1980 Jamaican elections heavily retouched photos of Prime Minister Michael Manley looking like a death mask appeared in the *Daily Gleaner*. (Other examples can found in *Psychological Warfare in the Media: The Case of Jamaica*.)



An example of the death mask photos of Michael Manley used by the *Daily Gleaner*.

Keys described the physiological impact of *The Exorcist*:

> "As tension within a person increases, he perceives less and less at the conscious level and becomes more and more susceptible to subliminal stimuli. . . . The tension and release, tension and release, tension and release, always building higher and higher and higher, induced exhaustion and even nausea for many in the audience."

What it feels like to be in a country like Chile or Jamaica during a period of intense psychological warfare is as if one were actually in *The Exorcist* instead of just watching it. Compare the above audience reactions with the following descriptions by visitors to Chile:

Baeza Flores, writing in *Radiografia Politica de Chile*: "I arrived like a traveller feeling a bit dizzy from the gas of propaganda and counter-propaganda of psychological warfare, a little seasick from the ideological gas."

Oscar Waiss, writing in *La Nacion*: "The purpose of the CIA is to create a national psychosis, including an insane repetition of themes, which could serve as background music for a horror film."

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Ralph McGehee stated in his *Nation* article that the CIA attempted to recreate the same psychological mood in Chile as it had in Indonesia in 1965. Note what a newspaper reporter in Djakarta, Arnold C. Brackman, writing in *The Communist Collapse in Indonesia*, later wrote about this mood: "In 1964-1965, this community was subject to 'mental terror,' the popular phrase used by articulate Indonesians to describe the period.... The murders can be characterized as a 'psychological explosion' among a repressed people who had suffered 'mental terror.' "

What the CIA unleashed in Indonesia was a psychological warfare bomb that killed more people than the atom bomb at Hiroshima. It is this demonstrated ability to create emotional tidal waves and political earthquakes that warrants a careful examination of CIA psychological operations.

On April 8, 1972 *El Mercurio* placed a full color photo of open heart surgery next to a photo of Allende. This is not the sort of thing that Chileans had come to expect with their morning coffee. On November 24, 1972 *El Mercurio* improved on the original by surrounding Allende's photo with four color photos showing the implantation of a radioactive battery in a Chilean heart. The imagery which is intended here is that of (the Marxist) Allende, like the radioactive implant, as an alien element which has penetrated into the very heart of Chile. In this organic model, Chile is a healthy body which will eventually reject the alien Marxist implant (Allende).

EL MERCURIO

Rechazado el Recorrido de La Marcha

***El Mercurio*, April 8, 1972: Color photo of open heart surgery next to picture which includes Allende.**

On August 13, 1973—one month before the *coup* -*El Mercurio* lifted an omen out of Bergman's *The Seventh Seal*. A sepulchral hag done up in a hooded monkish robe shuffles in front of the Presidential Palace clanging cymbals. *El Mercurio* manages to catch this omen of death come knocking on the door just as it arrives at the portals of La Moneda.

On March 9, 1972 *El Mercurio* presented another photo of Minister of the Economy Pedro Vuscovic; just below: jaws—the hideous face of a growling attack dog jumping straight at the camera. On August 2, 1972, and for several preceding days, *El Mercurio* manipulated other omens of death in the form of dead cows and chickens. This was

***El Mercurio*, August 13, 1973: The hag, with cymbals, in front of the open door to La Moneda.**

coordinated with the distribution of movies and comic books prepared by the CIA based on George Orwell's *Animal Farm*.

EL MERCURIO

Repudio a Actuación De Vuskovic

EL PUEBLO UNIDO, JAMAS SERA VENCIDO.

Banzer Inicia Visita a Paraguay

Muskie Ganó La Primaria

***El Mercurio*, March 9, 1972: The attack dog near the article about Minister Vuscovic.**

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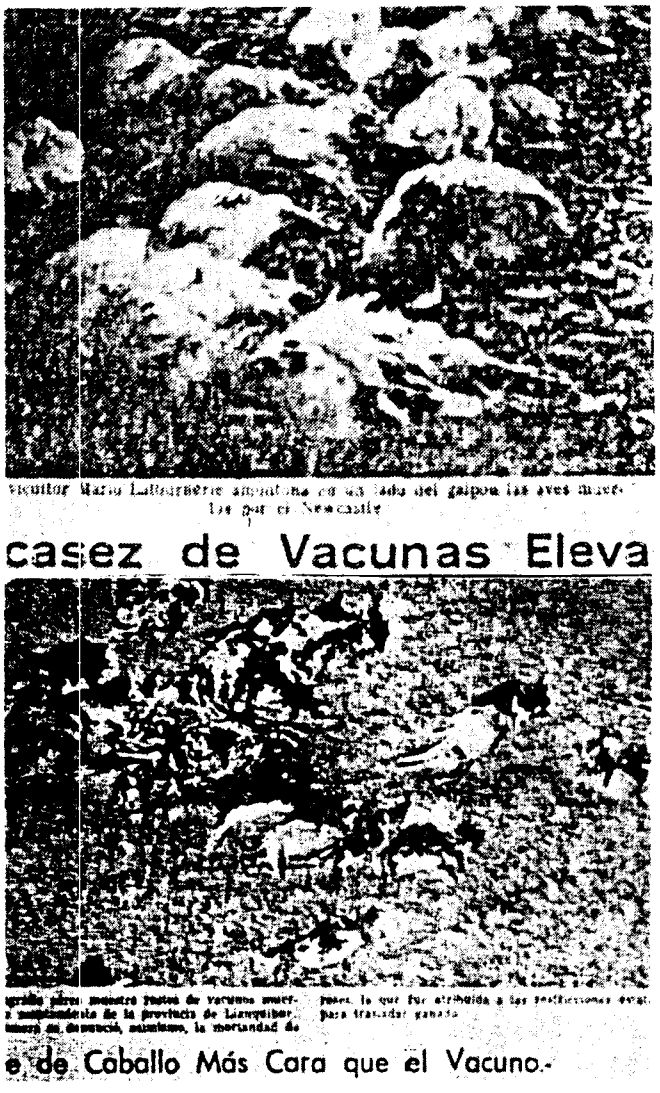

***El Mercurio*, July and August 1972: Dead chickens and cows on the front pages of the paper.**

Counterrevolution and *Animal Farm*

The symbolism of dead cows surfaced anew in *La Prensa* of Nicaragua in April and May of this year. *Animal Farm* was printed in installments on the editorial page of *La Prensa*, and every vendor had free copies of the comic book to distribute. According to E. Howard Hunt in *Memoirs of an American Secret Agent*, one of his responsibilities while with the CIA was to arrange for the production and distribution of the film version of *Animal Farm*. In its comic book view of the world, a socialist country is a farmyard in which the pigs have taken over and the victimized citizenry are depicted as cows and chickens. The pigs get fatter while the cows get thinner.

The movie *Animal Farm* is a good example of the advantages of psychological warfare over explicit ideological propaganda. *Animal Farm* has no explicit political message. It is a simple allegory involving familiar farm animals. In a country like Nicaragua, it is a way of reaching individuals who may be illiterate or apolitical with a very strong counterrevolutionary argument. Its central theme is the futility of revolution. The new pigs are just as bad as, and end up looking like, the old master. The hypocrisy of revolutionary rhetoric; the cynicism, greed, and lust for power of revolutionary leaders; all culminating in slave labor, show trials, starvation and death. The CIA does not say Nicaraguan government leaders are pigs; it shows *Animal Farm* and lets people make their own analogies. In the event the desired analogies are not made, the local newspaper will retouch photos of leaders making them look like pigs, contrasted with photos of victimized and emaciated citizens.

On March 18, 1981 *La Prensa* featured a photo of Chancellor D'Escoto taken at a very odd angle, which, together with added shadows, emphasized his double chin. The title under the photo reads, "Overflowing With Health and in a High State of Optimism," contrasting sharply with the photo below, of a victimized citizen lying on a hospital bed, with the headline, "Calvary of an Innocent. Is This What Our People Fought For?"

***La Prensa*, March 18, 1981: Photo of "healthy" Minister juxtaposed against photo of hospitalized youth.**

In May 1981 *La Prensa* began a campaign (later retracted) alleging that cows brought from Cuba had hoof-and-mouth disease. Although no evidence was ever offered in support of these allegations, it skillfully combined the imagery from *Animal Farm* with the already established association of the (Marxist) government with plagues and death.

Divisive Propaganda—The Manipulation of Religious Symbolism

The purpose of a CIA campaign of divisive propaganda is to reduce national unity. In April 1981 a major campaign of psychological warfare began in Nicaragua with an attempt to mobilize protests by Catholics against the government. The first step was to inflame the parents of stu-

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dents attending parochial schools. A *La Prensa* campaign attacked and polarized democratic nationwide forums to discuss educational reform by using such terms as "Marxist brainwashing," "turning children into guerrillas," "filling children with hatred," "priests who support the Marxist government and betray their allegiance to the True Church," etc.

The manipulation of religious symbolism, especially that of the cross and of the Virgin, was initiated by *La Prensa* and the CIA, not by the Nicaraguan Catholic Church. Although the clear intention of the propaganda campaign was to polarize relations between Church and State, the religious tone which the political struggle acquired was not created by the Church. Alan Riding, in a *New York Times* article of May 29, 1981, entitled "Religion Becomes a Political Weapon for both Left and Right in Nicaragua," unwittingly bolstered the CIA line:

> "Thousands of Nicaraguan Roman Catholics trekked to the small village of Cuapa, 100 miles east of here, where the Virgin Mary is said to have appeared.... 'The cult of the Virgin of Cuapa is a response to the fears of Communism,' a foreign priest said."

Before a "miracle" can occur, the way must be prepared. The first recorded CIA plan in this area was by Edward Lansdale. A witness before the Senate Intelligence Committee investigating alleged assassination plots described the plan:

> "I'll give you one example of Lansdale's perspicacity. He had a wonderful plan for getting rid of Castro. This consisted of spreading the word that the Second Coming of Christ was imminent and that Christ was against Castro. And you would spread this word around Cuba, and then on whatever date it was, that there would be a manifestation of this thing. And at that time—this is absolutely true—and at that time just over the horizon there would be an American submarine which would surface off Cuba and send up some starshells. And this would be the manifestation of the Second Coming and Castro would be overthrown. Well, some wag called this operation 'Elimination by Illumination.'"

Nicaragua began to be illuminated at Christmastime. *La Prensa* of December 28, 1980 carried the photograph of a young lady with the convenient name Maria Lourdes. Maria was photographed in white raiment against the heavens in the shape of a cross. *La Prensa* found the only spot in Managua where the entire National Cathedral can be shown in the background. She appears as a statue of the Virgin descending from the heavens upon the National Cathedral. The word "Lourdes" borders the photo on each side. Mary, Angel, Heaven, Lourdes, Cross, National Cathedral. . . it is impossible to imagine more heavily-loaded religious symbols being squeezed into one photograph.

On April 1, 1981, a day favored by pranksters, *La Prensa* began the creation of a local Lourdes. They mobilized thousands of the devout to a spot where the Virgin Mary had appeared to a simple shepherd and a *La Prensa* reporter while praying in a circle of roses (rosary). The shepherd's name was Bernardo (echoing the Song of Bernadette). According to the CIA's newspaper, the Virgin was not happy with current affairs in Nicaragua.

ayer a las cinco de la mañana aproximadamente dejando el saldo de unas 20 personas lesionadas, dos de ellas de gravedad.
El accidente de tránsito se
Masachapa.
Segun informes preliminares el bus corría a gran velocidad y el conductor no pudo controlar el timón al tomar la curva.
estan.
Dora Molina, María Luisa Carballo de Narvaez, Angélica Bermudez, Carmen Muñoz López, Irma Gutiérrez de Flores, María Elena Sánchez, Carmen Muñoz
Maritza Campos
En estado suma
licado se encuentr
Juan José Aragón
ñora cuyo nombre
Pasa a la última

Familia de Lourdes pid investigació

"A las siete de la noche del 25 llegaron a mi casa dos personas, una señora y una chavala, a decirme que en la Colonia Tenderi había ocurrido un accidente. Con ellas me fui al Hospital Oriental y al llegar me dijeron que mi hermana estaba muerta. Que había muerto en el camino. Allí estaba el que vivía con ella"... dijo en LA PRENSA Marisol Mejía
Pastora, hermana
fortunada joven M
des Mejía Espin
recientemente en
de la Colonia Tend
cunstancias aun
das oficialmente.
Marisol, quien
nuestras oficinas
ción en compañía
ra madre Vilma
Mejía Pastora y d
Pasa a la última

Gentil visita de Cap. Sánch

El Capitán Roberto Sánchez, vocero del EPS se presentó hasta nuestra sala de redacción para aclarar dos informaciones aparecidas en LA PRENSA.
Respecto a nuestra información de ayer en torno a una supuesta base militar que se estaba trazando cerca de la Comarca Los Castros.
Sánchez informó
vamente se está
un estudio topogr
delimitar las tierr
tenecen al INRA
en ningun momen
terá deshaucio. t
men algunos mo
la vecindad. Sán
festó que ya se h
Pasa a la ultima

MARIA LOURDES MEJIA

***La Prensa*, December 28, 1980: Heavily symbolic photo of Maria Lourdes Mejia.**

LA PRENSA — 16 PAGINAS — C$2.00

Visita al campesino de las apariciones

Con Bernardo en Cuapa

Otorgado el placet al Dr. Cruz

Liberan a 25 rehenes

***La Prensa*, April 3, 1981: Photo of the shepherd and the site of the visions of the Virgin.**

Symbolism of the Cross

U.S. Army *Field Manual of Psychological Operations:* "142 Symbols

(1) Among Christians the power of the Christian cross is effective as a symbol because it graphically represents Christ's suffering and death for man."

When *La Prensa* wishes to turn the front page into a religious tableau, it begins by running a headline about the Nicaraguan Ambassador to the United States, Dr. Arturo Cruz, never using the title Ambassador, or Doctor, or his other names in order to leave the symbolic "Cruz" (cross). Within a few inches of "Cruz" appears a Christ-like figure and a cross.

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Cruz: Can

La Prensa, March 23, 1981: Headline, "Cruz." Immediately below is an unrelated photo of two Christ-like figures with a cross planted next to each body. In fine print *La Prensa* admitted that two volunteers agreed to play the role of the dead bodies, while it supplied the two crosses.

La Prensa, April 9, 1981: Headline, "Cruz." Above are two unrelated photos of victims of violence (genuine), with arms outstretched. To the left is an unrelated photo, a retouched composite, with a cross on the top of a hill and, in the caption, the expression, "our long-sufferring Nicaragua."

La Prensa, May 9, 1981: Headline, "Cruz." Above is an unrelated photo showing a huge cross awkwardly hung over the back of a youth, with young people in a circle, singing.

The May 9 photo, apart from its association with Cruz, is very interesting. It shows a pastoral scene with happy young people strumming guitars. The CIA distributed a half million copies of a very similar photo in Italy before the 1976 national elections. The thematic content is also the same, where the beatific scene of Christian folk singers is contrasted with code-words for Marxist youth: hatred, materialism, political, conflict.

The Italian version was distributed as ads in the Milan-based newspaper, *Avvenire* and *Il Giornale Nuovo*, and as a pamphlet attributed to the organization "Communione e Liberazione," identified in the House of Representatives' Pike Commission Report as a recipient of CIA funding. On election day a new version appeared in which was added the symbol of the Christian Democratic Party (a cross over a shield) and an exhortation to Catholic youth to vote for that political party and against Marxism.

During the 1970 Chilean elections, the same photographic and thematic content appeared in ads for an organization calling itself "Nueva Accion Cristiana" (New Christian Action). An investigation by the Chilean Chamber of Deputies established that this was an illegal, unregistered, non-existent organization invented by executives at *El Mercurio*. This front was incorporated in an adhoc advertising agency called Andalien, which was shown to have received CIA funds, and whose executives were later identified as CIA agents.

On June 18, 1980 the Jamaica *Daily Gleaner*'s front page was dominated by a photo of an open Bible, an arrow indicating where a bullet was lodged. The headline read, "The Bullet and the Bible." Readers were asked to believe that a simple Christian farmer was reading his family Bible when suddenly a communist bullet came whizzing through the window, headed straight for his heart. Personally I prefer Woody Allen's version. He claims a Jesus Freak assaulted him with a Bible which was stopped by a bullet he carried in his vest pocket.

Some time later the *Daily Gleaner* ran a photo of a huge egg covered by an amorphous black spot. The story was that a good Christian farmer found the egg in his chicken coop and brought it to the offices of the newspaper as an oddity. The *Gleaner* was able to identify the mess on the egg positively as a map of the Soviet Union, and the appearance of the magic egg was said to be an omen from God to the people of Jamaica that they should not let their country be turned over to the Soviets.

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The Daily Gleaner

This is thing Country

SON NOMINATION CASE:

o boycott

e sittings

CONTROVERSY CONTINUES OVER COURT RULING

STS THOMPSON BOW OUT UNTIL...

THE BULLET AND THE BIBLE:

Violence threatens businesses

Politic leaders conden for unr

Campaign Coordination

All of this should not suggest that the CIA just plays games with foreign newspapers. The internal propaganda campaign is coordinated with an economic, diplomatic, and paramilitary offensive. Eventually, the economic chaos claimed in the propaganda becomes real. Suddenly there really are shortages. Then conflicts develop with bordering states, ancient racial and religious divisions suddenly flare up, communications and transportation are sabotaged.

In Nicaragua, the appearance of the Virgin coincided with the arrival of Morris Zerulo, a right-wing American evangelist, amidst a massive publicity campaign touting his alleged ability to exorcise the demons afflicting Nicaragua. The U.S. cut off economic aid. The State Department accused Nicaragua of fomenting insurgency in El Salvador. Former CIA Deputy Director Vernon Walters visited the hostile neighboring states. Incursions by former Somoza guards across the Honduran border increased, while these same mercenaries were openly trained in the United States. Thousands of Catholics were mobilized against the government and pressures were exerted on the priests serving in the Sandinista administration to resign.

During the 1980 electoral campaign in Jamaica, the character assassination of government ministers in the *Daily Gleaner* was coordinated with actual assassination plots against Prime Minister Michael Manley, Minister of National Security Dudley Thompson, and the General Secretary of the Peoples National Party, Dr. D. K. Duncan. Fake headlines about Soviet planes and Cuban boats landing were coordinated with a real paramilitary terrorist campaign that claimed some 700 lives. A serious but little publicized *coup* attempt occurred in June 1980. U.S. companies closed. U.S. economic aid, public and private, was unobtainable.

On October 1, 1972 the CIA organized the Chilean truck owners to paralyze transportation. The CIA-dominated Inter American Press Association held its annual convention in Chile to investigate the perceived threat to *El Mercurio*. U.S. warships participating in Operation Unitas appeared off the coast of Valparaiso giving symbolic support for dissident military units to act. CIA sabotage squads began blowing up bridges, railway lines, and people. *El Mercurio* called on the armed forces to save Chile.

Conclusion

The stages of psychological warfare are well defined. In fact, the U.S. Army issues Field Manuals for each stage. Interestingly, the primary responsibility for planning and conducting the activities discussed in the first stages does not lie with the military. Like James Bond's license to kill, only the CIA is supposed to engage in "black" propaganda, forging of documents, paramilitary actions, and other such covert operations. [During the early 1970s, however, the U.S. Army was found to have engaged in massive political spying in Europe. This conduct was ruled unlawful by a Federal court.] The ultimate military objective only becomes evident in the later stages. Psychological warfare is a form of secret unconventional warfare which may, if all else fails, shift to open conventional warfare.

While the terminology varies among different agencies, the Army's somewhat archaic terms for the stages are: Propaganda, Psychological Operations, Psychological Warfare, Civil Affairs, and Reconstruction.

Propaganda consists of presenting a positive image of the U.S. and a negative image of the socialist bloc. The CIA cooperates to some degree in this effort with the U.S. International Communications Agency, soon to be renamed, as before, the U.S. Information Agency.

Psychological Operations take place in peacetime and are geared toward throwing elections or moderating the policies of a foreign government.

Psychological Warfare is undeclared war. All the agencies of the U.S. government coordinate their activities as a team, all resources of the U.S. short of overt war are brought to bear. Open and underground resistance groups are set up by the CIA. There is an attempt to mobilize the masses against the government. Paramilitary operations, including terrorism and assassination, are coordinated with subversive propaganda. While instigated by the CIA, their agents are primarily local people. The task is still to manipulate civilians or the military or both indirectly to overthrow their own government.

To arrive at the stage of **Civil Affairs** means that within the goals which have been set for the CIA by the President, they have failed. A conventional military *coup* is necessary or the Marines must be sent in. The principal actors here are regular military forces of the U.S. and of those elements friendly to the U.S.

In the **Reconstruction** stage, forces friendly to the U.S. are in undisputed physical control of the entire national territory. The country has been pacified. A think-tank of U.S.-trained economists, attorneys, and journalists is set up to advise the new pro-capitalist government. Ideally, the economy is restructured according to the theories of Milton Friedman, as in Chile.

Of those examples under discussion, only in Chile has the final stage been reached. That was because the CIA failed in its frenzied efforts to throw the elections of 1970 and 1973. In Jamaica the CIA suffered a defeat in the 1976 elections and came prepared for the 1980 campaign with both military and electoral options.

Contrary to the Chilean example, success was achieved for the CIA in Jamaica in the third stage, psychological warfare. That stage is currently well under way in Nicaragua. Timely and firm defensive measures, and particularly education of the populace to the nature of psychological warfare, can and will prevent a CIA success there.

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Behind The Klan's Karibbean Koup Attempt

Part II

By Ken Lawrence

Grenada was the target. The aim was to overthrow the revolution led by the New Jewel Movement and to return the ousted tyrant, Eric Gairy, to power.

Mercenary leader Michael Perdue of Houston, Texas, began plotting his counterrevolution as soon as he read published accounts of the revolution in the spring of 1979. First he sought out Gairy, met him in San Diego, and put forward this proposition: for a price, Perdue would overturn Maurice Bishop's government and reinstate Gairy as prime minister. Gairy agreed and told Perdue to proceed.

David Duke's Men

Perdue then contacted his old friend in New Orleans, David Duke, one-time Nazi and former Grand Wizard of Knights of the Ku Klux Klan, now leader of the National Association for the Advancement of White People. Duke helped by putting Perdue in touch with several of his contacts, beginning a tangled web of international fascist intrigue and high finance.

One of Duke's referrals was to German-born Wolfgang W. Droege, an organizer for the KKK in Canada whose father had been a personal friend of notorious Nazi war criminal Julius Streicher. Another was Don Andrews, former head of the Western Guard, Canada's neo-Nazi group. A third was J.W. Kirkpatrick, a prominent attorney in Memphis, Tennessee, whose ties to Duke and the Klan had never been publicly revealed.

Each of these men eagerly joined the burgeoning conspiracy against the young revolution in tiny Grenada. Droege became second-in-command of the invasion force. Andrews recommended using the island of Dominica as a base for the attack on Grenada, and, on the recommendation of his friend Arnie Poli, invested in a Dominican coffee firm to furnish cover for intelligence-gathering trips and supply shipments. Kirkpatrick and an unidentified associate contributed $10,000 to help finance the plot. Perdue later said he got another $45,000 from James White, a business associate.

Grenada Abandoned

In Toronto they worked out a plan for the attack. It called for Gairy to accompany the landing party from Dominica and lead his Grenadian supporters. But Gairy refused; he was unwilling to land until the mercenary force had captured police headquarters and the army barracks. The argument that ensued between Perdue and Gairy ended their partnership, and Perdue began to consider other possibilities.

Arnie Poli, who had originally helped set up the base on Dominica, had been kicked out of the *coup* plot after he spent $3,000 of the group's money on high living in Miami while failing to carry out his assigned task of purchasing a boat, but not before he had mentioned to Perdue that Patrick John had been ousted from the office of prime minister of Dominica and desired to return to power. Although John rebuffed several initial attempts to contact him, he eventually returned Perdue's call after he lost the July 1980 election to Eugenia Charles. (Ironically, one of the plotters, Don Andrews, may inadvertently have helped bring to power the very government he later sought to overthrow. It was he who informed Charles about interim prime minister Oliver Seraphin's deal, negotiated by finance minister Michael Douglas, to sell Dominican passports to stateless Iranian supporters of the Shah for $10,000—one of several scandals that discredited Seraphin's government to the benefit of Charles's Freedom Party.)

A Nazi Paradise

Patrick John signed a contract with Perdue, dated September 20, 1980, promising Perdue's company, Nortic Enterprises, $150,000 in cash and banking, gambling, agriculture, tourism, and lumber concessions that were to be tax exempt for 20 years. Droege later said that the mercenaries also intended to establish a cocaine refining plant in Dominica. The plans were not simply to pillage the island's treasures, however. Don Andrews wanted Dominica to become a base for international distribution of white supremacist propaganda. Martin Weiche, Andrews's Nazi colleague, envisioned eventually expelling all the Black inhabitants and building an "Aryan" fascist paradise on the island that Canadian Ku Klux Klan leader Alex McQuirter said "needs white order and white government." McQuirter's U.S. counterpart, Don Black, had boasted in high school that he would one day take over a country. Mississippi racist agitator Paul Haecker, a personal friend of several of the mercenaries, described their aims in a letter to the *Jackson Daily News*: "There are only about 70,000

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people on Dominica. Miami absorbed 100,000 Cubans. Why don't they send the 70,000 to Mississippi and put them on food stamps and welfare? Then let all the white racists go to Dominica. Furnish us enough supplies to get our economy started, and then we won't bother the rest of the country any longer."

But first things first. Droege brought in a Canadian mobster, Chuckie Yanover, who was looking for a new base for his operations. Yanover and his associate, Charles Kim, went to reconnoiter Dominica, taking hundreds of aerial photographs. The first major setback occurred when details of the planned *coup* attempt leaked out and Patrick John was jailed. But Perdue's band modified their arrangements and went ahead.

Operation Red Dog

The plan was to land the mercenary force on Dominica between 1 a.m. and 3 a.m., to capture the police station, and to free John. John's forces would then take over the government while Perdue and his men would "slip into the wilderness," leaving the impression that only local forces had overthrown Eugenia Charles. It was dubbed "Operation Red Dog."

Most of the mercenary recruiting was done by Wolf Droege. In Canada he lined up KKK leader Alex McQuirter. McQuirter's girl friend, Mary Anne McGuire, was sent to Dominica as a spy. Using his Klan connections in the U.S., Droege drew in Don Black of Birmingham and Joe Danny Hawkins of Jackson. Hawkins then brought in fellow Mississippi Klansmen William Waldrop and George Malvaney, while Black recruited Michael Norris of Tuscaloosa. Hawkins also put Perdue in touch with his long-time KKK associate, L.E. Matthews, who reportedly furnished financial backing and explosives. Christopher Anderson, former police chief of Kiowa, Kansas, answered Perdue's ad in *Le Mercenaire*. Klan organizer Larry Jacklin of Listowell, Ontario, and Nazi Robert Prichard of Raleigh, North Carolina, joined up.

Lies and Security Lapses

All were recruited under false pretenses. Perdue told them he was a Vietnam veteran with combat mercenary experience in Uruguay and Nicaragua. He claimed he had backing from the CIA and the State Department, and that former Texas governor John Connally and U.S. Representative Ronald Paul of Houston knew what he was doing and approved of it. He told them they would be fighting communism in Dominica.

Security was lax from the very beginning, not only in Dominca where John and his collaborators, and then Mary Anne McGuire, were arrested, but in the U.S. and Canada as well. For five months Perdue and Andrews conferred about their plans by calling to and from pay telephones, apparently unaware that all such calls are automatically monitored by authorities. Reporter Gordon Sivell of Toronto radio station CFTR notified a friend in the Ontario Provincial Police of the plot after he had learned the details from Poli, McQuirter, and Perdue. McGuire's cables to the plotters, relayed by CFTR staff, were probably monitored by all three governments. Mercenary trainer and FBI informer Frank Camper of Dolomite, Alabama, was aware that Perdue was recruiting for an assault on Dominica. It seems likely that the authorities would keep tabs on advertisers in publications like *Le Mercenaire*. The captain of the *Manana*, the boat chartered by Perdue to carry the raiding party to Dominica, was described by the *Los Angeles Times* as "an unofficial federal informant. He enjoys keeping his eye on harbor activities and has provided information before to Bureau of Alcohol, Tobacco and Firearms agents here. He knew the agents by their first names. He even had a Coast Guard Auxiliary decal on his boat's window, which Perdue failed to notice." (Perdue was sent to this man, Mike Howell, by David Duke, who got the referral from his girl friend's father, Sheldon Udel.) Perdue had even attempted to purchase Israeli Uzi submachine guns from police acquaintances.

There is nothing unusual about government authorities being aware of mercenaries' conspiring, although this case may set a record for the sheer number of security lapses. But given the scope of any such plot—weapons purchase and storage, finance, transportation, and recruiting—almost no *coup* attempt of this sort can really be kept a secret. Many times knowledgeable governments tacitly support such ventures, but in this case both the U.S. and Canada decided to intervene and scuttle the plot, because they had helped install Eugenia Charles's government and didn't want to lose such a loyal, conservative friend.

Arrest and Trial

The ten mercenaries were arrested last April 27 as they headed for Geohegan's Harbor near New Orleans whence they intended to set sail on a ten-day voyage to Dominica.

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It did not take long for seven of them to plead guilty—especially since the leader, Perdue, was the first to strike a deal with the government. The *Los Angeles Times* reported that the State Department was heavily involved in the plea bargaining. Two of the seven, George Malvaney and Larry Jacklin, were given indeterminate sentences as youth offenders; they could be released almost immediately. The other five—Perdue, Droege, Waldrop, Prichard, and Anderson—were each sentenced to three years.

Three others chose to fight the charges, and it was through their trial that many of the conspiracy's details became public. Each had a different apparent motive. Don Black, Grand Wizard of Knights of the Ku Klux Klan, used the trial as a platform to promote himself and his Klan. Joe Danny Hawkins, who has a long record of Klan-related convictions and only recently had been released after serving a three-year federal sentence for a firearms violation, had more to lose than any of the others. Michael Norris of National Alliance, a dangerous neo-Nazi group, believed that he could convince the jury he was just a dumb country boy lured into something he didn't fully understand, and apparently he was right.

They went on trial in June. Norris was acquitted, but Black and Hawkins were convicted and each sentenced to three years; both have appealed their convictions and are currently out on bond. Though disappointed in his two-count conviction, Black said, "It could have been worse, a lot worse." Hawkins commented, "We won one. Mike's loose. That's important."

Black's defense must have shamed his racist followers. Asked by the prosecutor, "Do you believe, for example, that everyone is equal?" Black answered, "Under the law, yes." Asked, "Do you believe in equality of opportunity?" he gave the same answer. He testified concerning his motive for participating in the *coup* attempt, "I supported Reagan and the reason why is we need a strong national defense. More and more countries are being swallowed up by communism and it was important to stop it in Dominica because it is in our hemisphere." (A State Department witness ridiculed the defense assertion that Dominica was threatened by communism.) Black's lawyer, Patrick McGinity, a former federal prosecutor, praised Black in his closing argument to the jury. "He believes in America. He believes in the Constitution. He believes in the equality of

The Money Men

Ever since the first details of the Klan/Nazi coup plot were revealed to the public last April there has been considerable speculation as to the identities of the mercenary group's backers. In May the Toronto Globe and Mail *reported that "law enforcement authorities in Canada and the United States believe as many as 80 people may have been behind the venture." Later, during a federal grand jury investigation in New Orleans, a U.S. investigator told the Birmingham* News, *"There were probably 40 names or more mentioned before the grand jury." The* Houston Post *reported that the grand jury had "a list of at least 12 unindicted co-conspirators who are believed to have financed the venture."*

The grand jury went on to indict only James White and L. E. Matthews, charging them with having furnished $57,800 of the $88,000 Michael Perdue said he had raised, despite the Los Angeles Times*'s prediction that "several others" would be indicted. David Duke reportedly refused to cooperate with the grand jury but was never charged with anything. During Matthews and White's trial, Perdue admitted that he was trying to shield Duke and Ronald Cox from criminal indictments—easily understood as to Cox, Perdue's lover, but difficult to grasp in the case of Duke, who has repeatedly blasted Perdue in the press as "a liar." The defense introduced documents, later proven to have been forged, in an attempt to discredit Perdue, and Perdue's initial uncertainty as to whether they were genuine apparently caused the jury to doubt his reliability as a witness. White and Matthews were acquitted, leaving the always murky question of who finances today's fascist movement still in doubt.*

Meanwhile, ever since August journalists on both sides of the border have expected charges to be laid by the Canadian government against at least four people—Alex McQuirter, Martin Weiche, Charles Yanover, and Mary Anne McGuire—but that hasn't happened as of this writing. The list presented here is compiled from trial testimony, news reports, and interviews in the U.S., Canada, and Dominica.

JAMES C. WHITE of Lakeland, Louisiana, apparently made the largest contribution to the *coup* attempt—$45,000, according to testimony by Michael Perdue, plus use of his credit card and E. & S. Construction Company's Longview, Texas post office box. In other respects White remains a mystery, so it is unclear whether his interest was simply to pillage Dominica or whether he intended also to back the more long-term genocidal white-supremacist policies of the Klansmen and Nazis.

LODRICH E. MATTHEWS of Florence, Mississippi, contributed a total of $12,800 and a gift-wrapped box of dynamite, according to Perdue. Matthews, an electrical contractor, has long been associated with Ku Klux Klan terrorism. On April 10, 1968, Matthews was one of ten men indicted for bombing the Blackwell Real Estate Company of Jackson a year earlier presumed to have been a reprisal against Blackwell for selling property to Black families in previously all-white areas of Jackson. A wave of terror bombings had plagued the city after the one at Blackwell, including blasts at Temple Beth Israel and the homes of Rabbi Perry Nussbaum, civil rights advocate Robert B. Kochtitsky, and Jane Schutt, former chair of the Mississippi Advisory Committee to the U.S. Commission on Civil Rights. Among those indicted along with Matthews were Sam Bowers of Laurel, convicted of participation in the murders of three civil rights workers in Neshoba County in 1964 and the killing of NAACP leader Vernon Dahmer of Hattiesburg in 1966. Another was KKK hit man Joe Daniel Hawkins, one of the Dominica mercenaries. At the time of his 1968 arrest, Matthews was described by the FBI as a former province giant (local leader) of the White Knights of the Ku Klux Klan, the most violent of the Klan groups active in the sixties. The FBI believed Matthews was involved in making clock-operated detonating devices used in several Klan bombings of that era including one intended to blow up the home of Jewish businessman Meyer Davidson of Meridian in 1968 and another aimed at A. I. Botnick, director of the Anti-Defamation League of B'nai B'rith in New Orleans. Both of these cases are now thought to have been set up with advance knowledge by the FBI: in the Meridian case, FBI agents ambushed and seriously wounded Klansman Thomas A. Tarrants III and killed his companion, Kathy Ainsworth; in the New Orleans incident, Byron de la Beckwith, charged with the 1963 murder of NAACP leader Medgar Evers but never convicted, was intercepted by authorities on his way to Botnick's house. Despite his long history of keeping this kind of company, Matthews was never brought to trial on the bombing charge.

J. W. KIRKPATRICK of Memphis, Tennessee, and an unidentified associate gave $10,000 to Perdue toward his original scheme to conquer Grenada. Kirkpatrick was a prominent attorney specializing in insurance defense, probate, corporate, family, medical malpractice, and personal injury law. He had written to David Duke endorsing Duke's views following an appearance on television to promote the Ku Klux Klan, and the two were good friends for about four years. Duke

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man. He believes in God, in this country, and for what it stands." He called Black "highly principled, definitely outspoken, and not afraid to take a stand for what he believes in. He is a strong, conservative, active young American. He is a doer. We need more people like him." Somewhat more truthfully, Hawkins's lawyer, David Craig, called his client "a redneck, a Confederate-flag-carrying Son of the South who wanted to do something to fight communism."

The day after Hawkins and Black were convicted, assistant U.S. Attorney Lindsay Larson flew to Dominica to offer evidence against Patrick John and his backers on the island. In a hearing in October, charges against five former members of the Dominican Defense Force Major Frederick Newton and Corporals Ronnie Roberts, Howell Piper, Hubert Charles, and Walton Phillip were dismissed. Captain Malcolm Reid and two former employees of Dominica's Public Broadcasting and Information Service, Julian David and Dennis Joseph, were acquitted. Patrick John, as of this writing, has not been tried.

Only Mary Anne McGuire, the KKK spy from Canada, was convicted by the Dominican court. She has been sentenced to three years without parole, and since her trial has attempted suicide twice. Stephen Hammond, who attempted to rescue McGuire, has been deported to his native England. (Hammond was called Harold Phillips Wood in our first installment; according to Judy Stoffman of Canada's *Today* magazine this was merely the name shown on Hammond's illegally procured passport.)

Two of those charged with financing the *coup* attempt, James White and L.E. Matthews, were tried in New Orleans in October. Testimony by the prosecution's main witness, Michael Perdue, was sufficiently confusing, and at times improbable, that the jury acquitted them.

Will Canada Prosecute?

There is still a possibility that indictments may be returned against some of the plotters in Canada. Police passed their dossier and a recommendation to prosecute to the provincial attorney general in September. One source says that the U.S. government has offered to release Droege "if he would sing against Chuckie up here, but Wolf won't talk to the police. He's hanging tough." Another says Mary Anne McGuire will probably be released by Domini-

sent Perdue to Kirkpatrick shortly after the original plot against Grenada was hatched. Five days after Perdue testified in court about Kirkpatrick's $10,000 contribution, and on the very day that the Assistant U.S. Attorney in New Orleans announced that he planned to seek indictments against the plot's financial backers, Kirkpatrick drove to Earle, Arkansas, and committed suicide with a shotgun.* His law partner, Max Lucas, described him as "a knight of old" who "preferred death to dishonor." Another colleague called him a "super, ultra-, ultra-, ultra-conservative. He thought the country was going to hell in a hand basket."

DON ANDREWS of Toronto formerly headed the right-wing Edmund Burke Society and a Nazi group called the Western Guard. He now heads the National Socialist Party of Canada. Four years ago he was convicted of possessing explosives, conspiring to commit arson, and painting swastikas and racist slogans on walls. He was an early member of the group that plotted originally against Grenada, and once this began to look difficult he suggested using Dominica as a base for an invasion force. Andrews has real estate interests in Toronto, and after the *coup* plot was under way he invested in a coffee business in Dominica. Michael Perdue testified that Andrews raised a $10,000 contribution for the *coup* from Martin Weiche. Both Andrews and Weiche, facing possible prosecution in Canada, have denied the charge.

MARTIN WEICHE contributed $10,000 to the *coup* attempt, according to testimony by mercenary leader Michael Perdue. Weiche, leader of the Canadian National Socialist Party, fought for Nazi Germany in World War Two. He now lives in a house in London, Ontario, modeled after Adolf Hitler's Alpine retreat decorated with oil paintings and photographs of Hitler, a photo of the late U.S. Nazi leader George Lincoln Rockwell, swastika flags, and an autographed copy of *Mein Kampf*. Although Weiche denies having financed the abortive *coup*, he admits to having been in touch with Perdue concerning the plot, and says he wants to relocate Caribbean Blacks to Canada so that white racists can repopulate the islands and set up an "ideal" fascist society there. Since 1979 he has aspired to create a colony in Dominica for "all pure whites Aryan stock, physically as well as mentally."

CHARLES YANOVER, named by Canadian law enforcement officials as an organized crime figure and international gun dealer, conducted reconnaissance missions for the *coup* plotters. Canadian sources say Yanover, who has also been accused in several reports of furnishing $10,000 to back the coup attempt,** went to Dominica with his Korean associate, CHARLES KIM, a tavern owner and karate instructor, and took aerial photographs of the island. The Klansmen and Nazis called Yanover "The Jew" and planned to kill him after they seized power in Dominica, but in the meantime promised to commission him major in the Dominician army as his reward for supporting them.

ARNIE POLI advised Don Andrews on business arrangements in Dominica, according to Judy Stoffman in *Today* magazine (weekend supplement to the Toronto *Star*). A frequent traveler from Toronto to the Caribbean, Poli went to Miami on Perdue's behalf to purchase a boat for shipments to Dominica. He spent $3,000 of the money that Perdue said came from Don Andrews and Martin Weiche without actually obtaining a boat, and Perdue's subsequent fury over this ended Poli's participation in the *coup* plot. Poli, a stringer for CFTR, was the first one to notify the station of the plot.

TOMMY THOMPSON, a Las Vegas hotel operator, was named as one of the *coup* attempt's backers. He reportedly provided housing for the *coup* organizers but has not been accused of additional financial involvement.

CHUCK KESSLING of Houston, Texas, furnished rooms in which to store weapons. Perdue testified that he had persuaded Kessling to provide this service by saying he planned to start a survival camp, and that Kessling was unaware of the *coup* plot.

RONALD L. COX, Perdue's roommate and lover, provided valuable antiques which Perdue used as collateral for money advanced to pay the mercenaries' salaries, equipment, and expenses. Cox also allowed checks from the *coup*'s backers to be processed through his bank account.

*David Duke has questioned whether Kirkpatrick actually killed himself. It is true that the method a shotgun blast in the mouth is one that Col. L. Fletcher Prouty has described as an assassination technique used by the CIA to eliminate evidence of murder. In this case, however, a suicide note not released to the press seems to have convinced Kirkpatrick's survivors that the act was just what it seems to be.

**Toronto *Globe and Mail* reporter Peter Moon, who first reported the $10,000 from Yanover (but without naming him) in a copyrighted story last May 13, told *CAIB* he now believes his Klan sources lied to him on this point. Other Canadian journalists, however, continue to consider the report credible.

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ca if she agrees to testify against Andrews in a Canadian trial.

Charges could be brought under a section of the Canadian criminal code that makes it an offense to conspire in Canada to do something in another country that is against the laws of that country. The section carries a penalty of up to two years' imprisonment. Yet, as Canada's Black newspaper *Contrast* editorialized in late October, "Alex McQu rter . . . has freely admitted his part in the conspiracy to overthrow the government of [Dominica]. Eight months have elapsed since McQuirter's role in the abortive *coup* was revealed . . . [He's] still on the loose."

It seems doubtful that anyone from Toronto radio station CFTR will be charged, even though its staff was in on the plot and served as intermediaries by carrying McGuire's coded spy messages to the conspirators in Canada. The station's management may face some embarrassing questions when their broadcast license is up for renewal, however. (CFTR's actions in this case were similar to those of U.S. networks in the past. In 1966 CBS helped fund a plot called "Project Nassau" to overthrow "Papa Doc" Duvalier in Haiti, then to use Haiti as a base for operations against Cuba. That plan fell through when former CIA contract agent Mitchell WerBell double-crossed his CBS co-conspirators. Just last year ABC was involved in a *coup* plot, later cancelled, against Haiti's current ruler, "Baby Doc" Duvalier, organized by former Congo and Rhodesia mercenary Mike Williams. In each of these cases the media were willing to risk a lot of bloodshed for the sake of an exclusive story.)

Second *Coup* Try

Yet another *coup* attempt aiming at restoring Patrick John's rule* was thwarted just before Christmas. This one involved many of the same former members of the Defense Force who had been charged in the previous plot but had been released or acquitted. One of them, Howell Piper, was killed in the attack on police headquarters and the central prison, along with a police officer. Six hours later another former soldier was shot and killed by police after he had raised his hands to surrender, according to eyewitnesses. Ten others were wounded, including Police Commissioner Oliver Phillip. Following this attack the government declared an emergency and assumed special powers, including arbitrary search and arrest, a ban on political gatherings, and strict press censorship. There was apparently no outside support for this latest *coup* attempt.

Although the plotting has been the work of discredited former officials partly backed by outside fascists, Prime Minister Eugenia Charles has used these episodes as a pretext for a crackdown on leftists and a general escalation of political repression. The Dominica Liberation Movement says "a reign of police terror" has descended upon the island since the original state of emergency was declared, including the brutal killing of a youth, John Rose Lindsay, in police detention, and the routine use of torture during interrogation. Eleven other police killings have also been protested by the DLM. Newspapers from Cuba and Grenada have been banned by the government. DLM general secretary Bill Riviere protested a "police rampage" last June. "Young men and some women were punched in the head and jaw, kicked in the groin, slapped in the face, a few were gun-butted in the head and others in the chest and stomach, and some were kicked in the face and head as they fell to the ground. These blows were accompanied by insults of the worst kind. One victim lost a number of teeth and another's head and face were severely battered. Yet in the end not a single one of them has been charged."

*This is taking the published news reports at face value. In Dominica, rumors abound. One story has it that Patrick John was not to be released and his Dominica Labor Party restored to power, but that he was to be killed, along with his rival Oliver Seraphin, leader of the Democratic Labor Party. Another version blames the rising on United Labor Party leader Michael Douglas. The prime minister has hinted that the Dominica Liberation Movement was responsible, a charge vigorously denied by the DLM.

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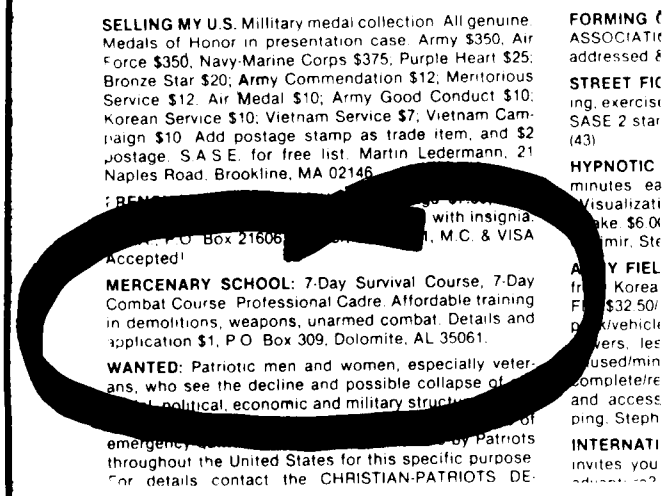
Dominica's Economic Crisis

After the December *coup* attempt, police detained two members of the DLM Political Committee and ransacked its headquarters. The two were later released, but one of those arrested and held for a longer time, a leader of the National Workers Union, Rawlins Jemmot, is described as "close to DLM." The actual reason for the crackdown on these forces is the public's growing discontent with the government's economic policies. In November 1980 the

Camper's Training School and the FBI



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[redacted] with insignia. [redacted] P O Box 21606, [redacted], M.C. & VISA Accepted!

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INTERNATI [redacted] invites you[redacted]

In our first installment we showed that this advertisement from the March 1981 *Soldier of Fortune* recruited potential mercenaries for Franklin Joseph Camper's training school. Camper was aware of the Dominica plot but declined to participate.

In July, Camper's training school received considerable play in the press—feature stories with photographs in the *Washington Star*, the *Christian Science Monitor*, the *Huntsville Times*, and hundreds of other papers via Associated Press. Nearly all the free advertising for mercenary training in the U.S. was promoting Frank Camper, it seemed.

But two weeks after the publicity blitz began, the Birmingham *News* and the *Tampa Tribune* learned that Camper was an FBI informer when the Dade County prosecutor listed him as a key witness against his erstwhile partner, Robert Lisenby, on explosives and weapons charges in Miami.

Camper's cover had been so effective that Lisenby's father wrote to *Soldier of Fortune* following his son's arrest to solicit information: "Why would anyone with Mr. Camper be arrested? He seems like a very fine young man and, according to my son Robert, is one of his best friends. Yet right now it seems like both face very stiff prison terms due to some informer. If anyone can shed any light on the matter, please write us." (The same issue also ran a letter ridiculing Camper for the training exercise near a Florida nuclear power plant that got his entire "school" arrested for trespassing.)

Camper wasn't happy that he had been exposed. "The reason I worked with the government is to help counter terrorism and I can't do that if my identity is known." He also feared that the unwanted publicity would hurt his mercenary school. "The Bureau has done me a great deal of harm."

Once the truth was out, Camper admitted that his work for the FBI began years ago when he posed as a "disgruntled Vietnam vet" in order to spy on the Alabama Black Liberation Front and the Communist Party. ABLF activists contacted by *CAIB* had no recollection at all of Camper, but Jim Bains, now secretary of the Birmingham Peace Council, remembered him well:

"I don't think he ever successfully infiltrated anything. As far as I know, everybody assumed he was a cop. He was such a classic. I vividly recall the first time he showed up—in his fatigues—at an anti-draft meeting at Birmingham Southern College in 1969 or 1970. He advocated bombs, blowing up draft boards, and things like that. Everyone thought either he was absolutely crazy or more likely a provocateur sent to destroy the anti-war movement."

For a brief period Camper's ads disappeared from *Soldier of Fortune*, but apparently most of his potential recruits missed the stories about his FBI connection. He now advertises his merc school as "Best in the U.S.A."

The April 1982 issue of *Gung-Ho*, another mercenary magazine in which Camper advertises, contains a long article about his training school, complete with color photos. It not only makes no mention of Camper's career as an informer, but actually implies the opposite, mentioning his two arrests in Florida and his connection with the Dominica *coup* plot. "I knew he had been in and out of controversy—and jail—through confrontations with the law, especially the BATF," wrote the author.

So it would seem that Camper has successfully restored his cover, placing him in an enviable position for a government agent. Many of the most serious potential mercenaries will be attracted to him. Those the government may find useful can be recruited for the usual dirty work, while those who support causes not approved by the U.S. can be found out and stopped. ■

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Charles government negotiated a loan of EC$37 million from the International Monetary Fund. (One U.S. dollar equals about 2.7 Eastern Caribbean dollars.) The routine terms of austerity demanded by IMF have hit the island hard—a ceiling of ten percent on wage and salary increases until November 1983; a freeze on public sector jobs; and a ban on subsidies to state bodies, all of which are heavily in debt. Taxes have nearly doubled. The DLM says Christmas 1981 was the hardest ever, with the price of 9.6 cents per pound being offered to banana farmers at a time when they need 19 cents to survive. Bananas account for 75 percent of Dominica's export earnings. Unemployment continues to be very high, especially among youth who constitute 60 percent of the population, while the doors to foreign employment have closed to them one by one—Britain in the fifties, the U.S. and Canada in the sixties, the Virgin Islands in the seventies, and Guadeloupe and St. Martin just recently.

Clarifications

The first installment of this report stated that Patrick John had been prime minister of Dominica for 8 years before he was toppled in 1979. Actually John had been prime minister only since 1974, although his Labor Party had ruled the island for 18 years.

We also reported, inaccurately, that the Dominica Liberation Movement was an alliance of four organizations; actually, by the time of our report, only two of the original four groups—the Working People's Vanguard and the People's Democratic Party—had merged to form the DLM. Other forces that had joined the DLM earlier left with former Black Power leader Rosie Douglas and his brother Michael, who was the finance minister in Oliver Seraphin's interim government and who is today the minority leader in the Dominican parliament.

No more evidence has surfaced, in the courts or in the press, to document charges by Prime Minister Eugenia Charles that the South African government had backed Patrick John and the mercenaries. Nor have any direct ties yet been demonstrated between the backers of this *coup* attempt and previous shady dealings between U.S. financiers and Dominican politicians described in part one of this article.

The possibility of learning more about the allegation that a wealthy Cuban-American in Miami had furnished money to this plot, first reported in the May 1, 1981 *Christian Science Monitor*, washed out when Klan-linked terrorist Robert Lisenby of Troy, North Carolina, pleaded guilty to reduced federal weapons and explosive charges in exchange for a ten-year sentence. Had Lisenby's case gone to trial, testimony by his collaborator, FBI informer Frank Camper, might have revealed the identity of that financier. ■

U.S. Military Aid

After the first Klan/Nazi *coup* attempt, Prime Minister Charles flew to Washington to ask for U.S. military aid, which is being given in several forms. The State Department arranged a U.S. $60,000 grant, and a number of Dominican police are now undergoing training in Panama. U.S. arms and ammunition have been donated through Edward Seaga's government in Jamaica. Dominica will join Barbados, St. Vincent, and St. Lucia in a regional coast guard service while negotiations are under way toward the creation of a regional army; meanwhile the Barbados Defense Force, beefed up and modernized by the U.S., will be on call while the Dominican police force is expanded and given a paramilitary component. A CIA

Dominica attempt spawned at merc school like this.

source told Robert Alan Michaels, writing for *Caribbean Review*, that Dominica is also being defended by a "western European nation or nations," probably France and Britain. (Michaels also concurs with *CAIB's* report of CIA involvement on behalf of Eugenia Charles and the Freedom Party in the July 1980 election.)

While it is clear that the U.S. had strong reasons to nip the Klan/Nazi conspiracy in the bud, what if the plotters had stuck to their original aim of overturning the Grenada revolution? It is possible that U.S. and Canadian authori-

(continued on page 21)

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The Australian Connection:

Nugan Hand, The CIA Bank

By Nancy Grodin*

Just over two years ago, in January 1980, Australian lawyer and financier Frank Nugan was found dead in his Mercedes sedan on a back road in Sydney. Later that year, his two partners, Michael Hand and Bernie Houghton, disappeared.

The three owned and directed the Nugan Hand Bank Ltd., a private merchant bank, which reliable reports indicate was a CIA-run operation for drug trafficking, arms smuggling and political payoffs throughout the 1970s.

This is the story of a group of men who aggressively exploited the drug trade, the arms market and the political unrest in Southeast Asia, the Middle East, and perhaps elsewhere. These men used their CIA connections to seek out and profit from worldwide organized crime.

The CIA Link

A direct Nugan Hand-CIA link has been verified by Neil Evans, former head of the Chiang Mai, Thailand branch of the bank. Evans went on the Australian TV program "60 Minutes" last February to tell his story. He joined the bank in 1977, and remained for only six months. Yet in that time he saw millions of dollars smuggled through the northern Thailand branch, which he knows to have been CIA money. Evans also said that in March of 1977 Nugan Hand had officially become a CIA paymaster.

"Hand told me and the others at the meeting that he'd been successful in arranging a contract with the CIA whereby the bank was to become its paymaster, for disbursement of funds anywhere in the world on behalf of the CIA and also for the taking of money on behalf of the CIA."[1]

The role the CIA played in controlling the bank is unclear; what is known is that almost all of the personnel who ran the bank had direct CIA ties.

In 1970 Nugan and Hand joined forces, starting a company called Australasian and Pacific Holdings, Ltd.[2] The two struck it rich promoting tourism, investing in mining shares and in the property market in Australia. Four of the original shareholders in the company listed the CIA-operated airline, Air America, as their address. Among the first investors, two were from the CIA-influenced Association for International Development.[3]

These early CIA connections were nurtured in the 1960s when Sydney, Australia became a rest and recreation center for American servicemen stationed in Vietnam. It was at this point that Texas-born Bernie Houghton expatriated to Sydney and opened three restaurants catering to the American clientele.[4]

Houghton kept company with members of the American intelligence network, and has since been identified as an undercover agent himself. He also worked under Admiral Lloyd Vasey, who was head of U.S. Naval Intelligence in the Pacific.[5]

Houghton, pictured above, had many intelligence contacts including notorious Edwin Wilson.

Michael Hand was a Green Beret with the Special Forces in Vietnam and often boasted about working for the CIA. Hand was the son of a New York State public official, and attended Syracuse University, where he received a degree in forestry. In 1964 he joined the Green Berets and was trained at Fort Bragg, North Carolina. He visited Australia in the late 1960s while on leave and decided to stay.[6]

Nugan Hand's Finances

The Nugan Hand Bank was founded in 1973, with paid-in assets of $1 million,[7] presumably the profits from Australasian and Pacific Holdings, Ltd. Early on the bank sent letters to lawyers, accountants, and businessmen enticing them with offers of private banking services, high interest rates (higher than anywhere else in the region), tax-free deposits, and complete secrecy. Minimum deposits were set at U.S. $5,000, or its equivalent in any international currency, for a period of seven days to five years.[8]

1. Hancock, David, *The Australian*, February 16, 1981; Clarke, Simon, *The Age*, February 16, 1981.
2. Wilkinson, Marian, *The National Times of Australia*, August 10-16, 1980, p. 3.
3. *Ibid.*, p. 2.
4. Wilkinson, *op. cit.*, n. 1, March 29-April 4, 1980.
5. Toohey, Brian, *op. cit.*, n. 2, November 12-18, 1980.
6. Toohey, *op. cit.*, n. 2, January 4-10, 1981; Marshall, Jonathan, *Inquiry* magazine, November 24, 1980, p. 11.
7. Richardson, Michael, *Sydney Morning Herald*, May 2, 1980.
8. Richardson, *op. cit.*, n. 7, May 3, 1980; Lindsay, Patrick, *The Australian*, July 8, 1980.

*Nancy Grodin is a free-lance journalist in Washington, DC who often writes about the CIA.

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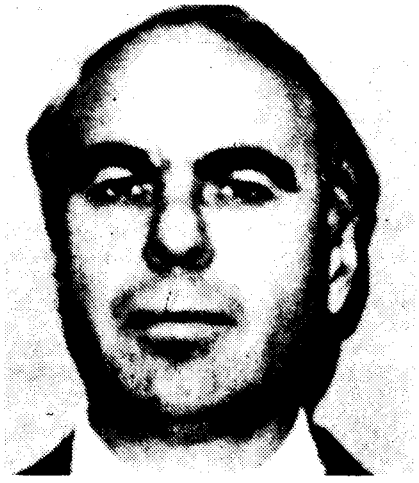
The bank grew quickly. In 1978, *Rydge's Magazine* estimated the assets at $43 million. By 1979 the yearly turnover had jumped to $1 billion. Nugan Hand had sixteen branches throughout the world; some were just mail drops, but others like the Chiang Mai branch handled millions of dollars each year.[9]

The most important offices were in Chiang Mai, Saudi Arabia, the Cayman Islands, and Sydney. Chiang Mai is in the heart of Thailand's "Golden Triangle." Australia's biggest drug pushers operated out of this region; they also banked with Nugan Hand.

The manager of the Chiang Mai branch, Neil Evans, was told that his sole purpose was to get to know bigtime drug dealers, and let them know that the bank was willing to smuggle large amounts of currency to its offices around the world. Interestingly, the Chiang Mai branch was located in the U.S. Drug Enforcement Agency building.[10]

The importance of the Saudi Arabian branch of Nugan Hand, which was headed by Bernie Houghton, is that it was one of the arms smuggling centers for the bank. Houghton was a close friend of former CIA agent and fugitive arms dealer Edwin P. Wilson.[11]



Wilson had fingers in every pie, including Nugan Hand.

A former foreign intelligence agent, who asked not to be named, recently told this reporter that millions of dollars had passed from Saudi Arabia to a company in Nassau during the 1970s. The agent was approached by Nugan to do "deep cover" work for the bank. He declined the offer, but did get to know the bank's directors, as well as Wilson. He is sure that the Saudi Arabian money was Nugan Hand money obtained through the Wilson-Houghton connection, and derived from arms smuggling operations.[12]

One of Nugan Hand's early promotional letters stated that all interest earned on deposits would be free of income tax because of the bank's incorporation in the Cayman Islands, a tax-exempt British haven. This, coupled with the region's guarantees of complete secrecy for all banking operations, made the Cayman Islands an ideal location for depositing "black money." This branch probably contained most of the stable money deposited in the Nugan Hand Bank.[13]

The Sydney office was the nerve center of the organization. It seems that most of the worldwide connections were made from this branch, and much of the money Nugan Hand "laundered" was channeled from Sydney to other branches.

Solid Connections

Whether or not Nugan Hand was a CIA-run operation, the bank had CIA connections. Michael Hand has been identified by Fletcher Prouty, the Pentagon's former liaison to the CIA, as a CIA agent.[14] A former Green Beret

Hand was identified by Fletcher Prouty as CIA agent.

who traveled with Hand also confirmed that Hand was an operative, and that his second tour in Vietnam was with the Agency.[15]

The head of the Cayman Islands branch was Rear Admiral Earl Yates.[16] Yates, who retired in 1974, was an aide to the U.S. Secretary of the Navy.[17] He had connections in high places, and arranged for Frank Nugan to attend a $1000-a-plate fundraising dinner for Jimmy Carter in 1979.[18]

General Ed Black, the top consultant to the bank, worked in World War II for the OSS, the forerunner of the CIA. He was a commander of forces in Thailand and Vietnam in the 1950s and 1960s, and went on to work for LTV-Aerospace Corporation in the 1970s. Black was a key figure in the establishment of high-level political connections in Thailand and the Philippines, where much of the drug trade and political influencing sought by Nugan Hand and the CIA was found.[19]

The Taiwan representative for the bank was Dale Holmgren, former flight services manager in Thailand for the CIA-run Civil Air Transport.[20] Nugan Hand's man in Manila was Roy Manore, a CIA consultant who recently

9. *Loc. cit.*, n. 7.
10. Perkins, Kevin, *The Sun-Herald*, February 16, 1981; Hancock, *op. cit.*, n. 1. Clarke, *op. cit.*, n. 1.
11. *Loc. cit.*, n. 4.
12. Interview by author, June 18, 1981.
13. Richardson, *loc. cit.*, n. 8.
14. Toohey, Brian, *The Australian Financial Review*, September 26, 1980.
15. Toohey, *loc. cit.*, n. 6.
16. Interview by author, July 27, 1981.
17. Wilkinson, *op. cit.*, n. 2, May 4-10, 1980, p. 20; U.S. Navy Retired List: 1978.
18. Toohey, *op. cit.*, n. 14, August 1980, p. 1.
19. Toohey, *loc. cit.*, n. 6; U.S. Army Retired List: 1968.
20. Wilkinson, *op cit.*, n. 2, August 10-16, 1980.

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was an advisor in the failed rescue mission of American hostages held in Iran.[21] Admiral Lloyd Vasey, former head of U.S. Naval Intelligence in the Pacific, was also head of the Nugan Hand branch in Hawaii.[22]

The calling card of William Colby, former Director of the CIA, was found on Nugan's dead body, and Colby has since admitted being Nugan's personal lawyer. Colby was introduced to the banker by Walt McDonald, a former CIA petroleum expert. McDonald was a close friend and sailing partner of John Paisley, the CIA's senior analyst on Soviet military strength, who died mysteriously in the Chesapeake Bay in late 1978. Paisley's abandoned boat contained highly classified electronics gear capable of transmitting to satellites linked to the ground station at Pine Gap in central Australia. [See sidebar.] McDonald was a consultant to the Nugan Hand Bank, and was introduced to Nugan by Guy J. Pauker. Pauker, also a bank consultant, is the Asia specialist for the Rand Corporation, a think tank with some ties to the CIA.[23]

Other CIA personnel linked to the bank were: John D. Walker, CIA station chief in Australia, who spent much

21. Toohey, *loc. cit.*, n. 6.
22. Toohey, *op. cit.*, n. 2, October 12-18, 1980.
23. Toohey, *loc. cit.*, n. 2.

The Ousting of the Labor Party: 1975

In 1973 the Labor Party was voted into power in Australia and Gough Whitlam became Prime Minister. Whitlam quickly antagonized the U.S. by pulling Australian troops out of Vietnam and condemning Nixon for the increased bombing of Hanoi. But nothing stirred the rage of the CIA and the Australian Security Intelligence Organization, ASIO, as much as Whitlam's repeated suspicions of the U.S. satellite communications station at Pine Gap, in central Australia.[1]

Pine Gap is, perhaps, the single most important overseas communications base the U.S. has. It employs highly sophisticated electronics equipment used to eavesdrop on the Soviet Union, Asia, and the Middle East. Pine Gap is run by American personnel.[2] Chris Boyce, the American convicted of spying for the Russians in 1978, claimed that CIA interference in Australia was worse than the Agency's involvement in the violent overthrow of the Allende government.[3]

Boyce worked at TRW, a top secret aerospace plant. He was given a top security clearance to handle CIA communications with TRW's spy satellite and the ground station at Pine Gap. With a childhood friend, Daulton Lee, Boyce photographed and sold ciphers and secret documents on Pine Gap to the Soviet Embassy in Mexico City.[4]

Long before Boyce embarrassed the CIA with his inside knowledge of Pine Gap, Prime Minister Whitlam threatened the continued secrecy of the base.

Ray Cline, former CIA deputy director of intelligence, confirmed that a joint CIA-ASIO plan to destabilize the Whitlam government was in effect in 1973:

"Cline said, '. . . when Whitlam came to power, there was a period of turbulence to do with Alice Springs [another name for Pine Gap] . . . the CIA would go so far as to provide information to people who would bring it to the surface in Australia . . . say they stumbled onto a Whitlam error which they were willing to pump into the system so it might be to his damage . . . if we provided a particular piece of information to the Australian intelligence services, they would make use of it.'"[5]

The plan worked, and in November 1975, Whitlam was sacked by the Governor-General, Sir John Kerr.

A British businessman, Joe Flynn, who claims to have worked for the CIA, was paid by Michael Hand to bug Whitlam's hotel room while he was vacationing. Flynn was also paid to forge documents in a loans affair used to discredit the Labor government.[6]

Edwin Wilson was believed to be involved in activities leading up to Whitlam's sacking in 1975, through his Task Force 157 ties. This may have included persuading Labor Party members to invest in certain Nugan Hand-controlled financial transactions, which would then be used to embarrass the politician.[7]

John Walker, the CIA station chief in Australia, was the CIA-ASIO intermediary in the program to dispose of Whitlam.[8] Walker was a close associate of Bernie Houghton, and one can only speculate on the role the Nugan Hand bank played in supporting Walker's actions.

The Nugan Hand bank was established while William Colby was director of the CIA. Colby himself admits that he viewed the Whitlam government as a threat.[9] A former executive of the bank told *Inquiry* magazine that the CIA, under Colby, laundered millions of dollars through Nugan Hand to help support pro-U.S. political parties.[10]

The Governor-General, Sir John Kerr, who removed Whitlam from office, served in intelligence during World War II. After the war, Kerr worked for the CIA-funded Law Association for Asia and the Western Pacific, known as Lawasia, and the Association for Cultural Freedom.[11]

—Nancy Grodin

1. Toohey, Brian, *The National Times of Australia*, November 9-15, 1980, p. 10.
2. Ball, Desmond, "A Suitable Piece of Real Estate," Hale & Iremonger, Sydney: 1980; Toohey, *loc. cit.*, n. 1.
3. Pinwell, William, *op. cit.*, n. 1, p. 11.
4. Lindsay, Robert, "The Falcon and the Snowman," Pocket Books, New York: 1980.
5. *Loc. cit.*, n. 3.
6. *London Sunday Times*, September 7, 1980, p. 1; Toohey, *op. cit.*, n. 1, January 4-10, 1981, p. 9.
7. Toohey, *op. cit.*, n. 1, October 5-11, 1980, p. 4; October 12-18, 1980, p. 17.
8. *Loc. cit.*, n. 1.
9. *Loc. cit.*, n. 3.
10. Marshall, Jonathan, *Inquiry* magazine, November 24, 1980, p. 11.
11. Freney, Denis, "The CIA's Australian Connection," Freney, Sydney: 1977, p. 34.

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time in the company of Bernie Houghton; Kent B. Crane, a former CIA case officer, who developed a plan with Yates to draw local politicians to the bank;[24] and Patry E. Loomis, a CIA officer named as the key link between the Agency and the bank. He was also involved in Edwin Wilson's arms smuggling and recruitment operations.[25]

The Drug Traffic

During the latter half of the 1970s, Nugan Hand expanded rapidly, building up an impressive clientele of drug dealers, mob leaders, arms smugglers, and general investors. This group of people were given the privilege not only of banking with some of the CIA's best and brightest, but also of receiving personalized, inside financial advice by CIA personnel. And it is likely that these patrons were also subsidized or otherwise helped by the Agency in furthering their enterprises.

Many high-level drug dealers banked with Nugan Hand. Murray Riley, a leader in Australian organized crime, was picked up in the largest drug bust in Australian history in 1978. Michael Hand's Hong Kong phone number was found on Riley when he was caught by the police. One of Riley's employees admits that Riley shifted large amounts of money through the Nugan Hand Bank, and visited the Sydney office several times.[26]

Paul Hayward was one of Sydney's biggest heroin dealers. His network was out of Thailand, and he is known to have been one of Nugan Hand's biggest customers.[27]

Brian Alexander, a personal friend of Nugan's, was involved in the largest drug ring in Australia. And Terrence Clarke, the head of the Mr. Asia drug syndicate, did his banking with Nugan Hand.[28]

Not only was the bank plugged into the heart of the Southeast Asian drug trade, it also had informants placed high in the Australian Federal Bureau of Narcotics.

In 1977 one of the Bureau's informants told an investigator about two merchant bankers he knew named Michael Hand and Frank Nugan.

"They are bigger than anything you have ever seen here in the heroin game and are said to be part of an American security organization. If you caught these blokes, all hell would break loose."

In fact, the informant worked for Nugan Hand, and had firsthand knowledge of the two bankers and their business operation.

His movements were monitored by the Bureau after his allegations. Within twenty-four hours of the commencement of surveillance, he called the Bureau demanding to know why he was being followed. When alerts were put on his associates, he knew within hours. The investigator on the case was so upset by the security breach that he complained to his superiors. Nothing was done about the leak, and the investigator was forced to leave the Bureau.

By early 1978 it was clear that Frank Nugan had direct access to Bureau information, which he obtained often within hours of its internal appearance. According to a former Bureau officer, "Nugan was getting to hear about our inquiries literally before we could even up-date our holdings on them."

Frank Nugan—did his hotline to the Bureau cause his death?

At this point, the director of the Bureau, Brian Bates, placed on file a memo suspending any further investigation into the Nugan Hand affair. The Bureau disbanded in late 1979. Proposals for an Australian federal task force inquiry of Nugan Hand were made in late 1980, but nothing has been heard from that quarter since.[29]

The Arms Traffic

There is also evidence that Nugan Hand had significant ties to arms dealers around the world. A former Nugan Hand employee claims that the bank acted as a financial intermediary in multimillion dollar international arms deals, involving mainly small weapons, ammunition, and helicopters. Most of these transactions were out of Singapore, Malaysia, Taiwan, and the Philippines, often to supply right-wing political groups. The source noted:

"The Brazilian deal was one arms transaction involving Nugan Hand. The group was involved in a number of others, including arms sold in Singapore to various Malaysian interests—money has no religion."

A system of back-to-back invoicing was employed to assure secrecy in arms deals serviced by the bank.[30]

Frank Nugan visited Summit Aviation in Delaware in 1978. This firm specializes in outfitting Cessna Skymasters with machineguns and rockets, for sale to countries like Thailand. Defense Industries International of Washington, D.C. was approached by Nugan to finance their arms sales.[31]

There is evidence that Nugan Hand was linked to Edwin Wilson and the U.S. Navy's secret Task Force 157, through Bernie Houghton.[32]

Wilson and his partner, Frank Terpil, are now fugitives wanted on a ten-count indictment by a U.S. grand jury on charges of conspiracy to supply explosives to terrorists, arms smuggling, and murder, among other things.

24. *Loc. cit.*, n. 22.
25. Toohey, *op. cit.*, n. 2, May 31-June 6, 1981.
26. Marshall, *loc. cit.*, n. 6.
27. *The Melbourne Herald*, August 22, 1980, p. 1.
28. *Loc. cit.*, n. 26.
29. Webb, Wilkinson, and Toohey, *loc cit.*, n. 2; personal examination of Australian Narcotics Bureau documents by author, March 1980.
30. Lindsay, Patrick, *The Australian*, September 8, 1980, p. 1.
31. Toohey, *loc. cit.*, n. 6.
32. Toohey, *op. cit.*, n. 2, October 5-11, 1980.

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Task Force 157 was disbanded in 1977. The Navy refuses to talk about it, but sources close to the group say that it folded because Wilson was involved in too many illegal business ventures.[33] Since leaving Task Force 157, Wilson and Terpil developed their extremely profitable business in Libya, supplying bombs, arms and personnel throughout the Middle East and elsewhere. In 1981 Terpil moved his base of operations to Beirut, Lebanon, and in November was allegedly abducted from the site of a restaurant he was constructing there.

It is believed that the Saudi Arabian branch of the bank, run by Wilson's personal friend Bernie Houghton, shifted large sums of money for him—money earned from his arms ventures.[34]

33. Interviews by author, June 18, July 27, and August 11, 1981.

U.S.-Australia Ties Tighten

The Australia Connection, as exemplified by the machinations of Nugan Hand Bank, is growing. This is apparently a function of the compatibility of the Reagan administration in the United States and the Malcolm Fraser administration in Australia.

On October 30, 1981 the *Washington Post* reported that joint U.S.-Australian military ties have been strengthened. In addition to the now well-known communications intelligence operations at Pine Gap, the article described recent military operations—involving all four U.S. services, the Australians, and the New Zealanders—as "the most sophisticated and one of the biggest joint military exercises ever staged here."

In addition, the Australians have given permission for the landing of U.S. B-52 bombers, and the U.S. is selling 75 F-18 jet fighters to Australia to replace their aging fleet of French Mirage 30s.

The Australian Defense Department now insists that it plays a role in the operation of Pine Gap and the other spy satellite tracking stations, something which critics of the operations dispute. Moreover, Australian participation, whatever the degree, does not eliminate the most significant objection: that massive CIA operations throughout Australia make the country a primary target in the event of hostilities involving the United States, the Soviet Union, or the Peoples Republic of China.

An ominous note was reported in the November 20, 1981 *New York Times*. The Department of Energy announced President Reagan's decision "to offer Australia access to highly classified centrifuge technology to enrich uranium, technology that until now has not been shared with foreign governments." The disclosures led to heated debate in the Senate Subcommittee on Energy, Nuclear Proliferation and Government Processes. As the *Times* noted, "Centrifuge technology has traditionally been closely held by governments because of the risk it poses to efforts to stop the spread of atomic weapons. It can provide nations with a relatively inexpensive means of producing nuclear fuel for use in commercial plants or possibly in nuclear weapons." —

The Collapse of Nugan Hand

Following Frank Nugan's untimely death in January 1980, court-appointed liquidators began investigating the bank's books. They found as much as $50 million unaccounted for, $20 million of this missing from the Cayman Islands branch alone.[35]

According to official investigators who examined the books three days after Nugan's death, $23 million was found to be missing from the Singapore branch. The books showed $5 million transferred from Singapore to the Sydney office over a two-year period, yet no records exist of the money's ever being received in Australia. Following Nugan's death, Houghton had $150,000 shifted from the Hong Kong branch to a personal account in the United States.[36] These transactions are among many that indicate just how much money Nugan Hand dealt in, and how often the bank records were fixed to conceal some of that money.

Unfortunately, though, most of the files of Nugan Hand transactions were missing or destroyed by the time federal officials entered the offices.[37] The books obtained by the court showed that 194 companies were banking with Nugan Hand at the time of Nugan's death. But virtually no persons or companies have made formal claims on any of the $50 million owned by the collapsed bank.[38]

Most of the bank's executives are now in hiding, on prolonged vacations, missing, or in the case of Frank Nugan, dead. Why?

The evidence seems to show that the Nugan Hand Bank was a CIA-run operation, and that most of its clients were involved in drug smuggling, arms dealing or political payoffs. Based on this, it would stand to reason that few would risk the consequences of stepping forward.

Many Freedom of Information Act requests have been filed on Nugan Hand. The FBI released forty-six pages of a 119-page file on the bank. These pages were heavily deleted, mostly on national security grounds "in the interests of national defense or foreign policy."[39] The U.S. Customs Service "will neither confirm nor deny the existence of an investigation of Nugan Hand Bank." And the CIA has not responded to a request in over a year and a half.[40]

In Australia, public interest in Nugan Hand is widespread. However, little has been written about it in the United States. A decade of organized criminal activities has come to an end. Yet with all the evidence provided, we may never know the full extent of the CIA's involvement in the bank. Without the cooperation of former bank officials and the federal agencies, much of this story will remain a mystery. In the words of a former Nugan Hand associate, "This thing is so big . . . bigger than you can imagine."[41] —

34. Toohey, *op. cit.*, n. 2, May 31-June 6, 1981; interviews by author, June 18 and July 24, 1981.
35. Perkins, *op. cit.*, n. 10, April 27, 1980.
36. *Ibid.*, August 10, 1980, p. 5.
37. *Ibid.*
38. *Loc. cit.*, n. 35.
39. Responses to Freedom of Information Act requests of author and Brian Toohey, 1980 and 1981.
40. *Ibid.*
41. Interview by author, June 18, 1981.

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Where Are They Now?

By Louis Wolf

CIA veteran **Nestor D. Sanchez**, 54, now holds the most important position in the Pentagon relating to Latin America and the Caribbean. He joined the Agency in 1953, spending tours in Morocco, Venezuela, and as Chief of Station in Guatemala, Colombia, and recently, in Spain from 1976-79. As Deputy Assistant Secretary of Defense for International Security Affairs, a post to which he was named on August 7, 1981, Sanchez promptly visited Guatemala, Honduras, and the U.S. Army Southern Command in Panama, on what a Defense Department spokesman told *CAIB* was "a fact-finding tour to get him current." Unlike his non-Agency predecessors but typical of CIA people generally, Sanchez is extremely reluctant to speak with the media. In six months, he has agreed to grant only two interviews, both "on deep background" and not for attribution. Contrary to the Pentagon's public profile in the region which seems to leap higher almost daily, Sanchez stays hunkered down on the Department of Defense fourth floor.

The CIA has moved in to the State Department as well. **Hugh Montgomery**, 58, who like Sanchez entered the Agency in 1953, became the top intelligence official at State in October when he was named Director of the Bureau of Intelligence and Research (INR). A Europe specialist, Montgomery's career spanned senior postings in Greece, the Soviet Union, France, Austria, and two separate assignments in Italy. His most recent job had been on the CIA's National Intelligence Council, where he was the National Intelligence Officer for Western Europe. The latest appointment is particularly significant. Though there is close communication between INR, the CIA, and the Pentagon intelligence branches, professional Foreign Service personnel have nonetheless traditionally resented much of the CIA's encroachment into the conduct of diplomacy and the INR directorship has nearly always been held by a career State Department officer.

James R. Lilley, 54, who was born in China and became a CIA employee in 1951, was assigned in November as head of the Taipei-based American Institute in Taiwan, headquarters for U.S. dealings with the Republic of China since diplomatic relations were broken in 1979. A long-time China watcher, Lilley held CIA posts in Manila, Phnom Penh, Bangkok, Vientiane, Hong Kong and Peking. In an unpublished 1980 paper, "Security Considerations in Taiwan's Future," he bemoaned the fact that Mainland Chinese emigres "are in actual control" and suggested that the one-China policy to which the U.S. has haltingly given lip service be maintained, "at least verbally." Lilley recently hosted John H. Holdridge, since May 1981 the Assistant Secretary of State for East Asian and Pacific Affairs, a member of the Foreign Service since 1948 who worked in five Southeast Asian countries including China from 1973-75 and as Ambassador to Singapore from 1975-78. Holdridge, who prior to this appointment was assigned to the National Intelligence Council as National Intelligence Officer for East Asia, was the messenger carrying the news to Taiwan's leaders that, to avoid causing a rift with Peking, the U.S. would not be selling them sophisticated military aircraft. The purpose of his visit was leaked from within to the *Washington Post*, causing the White House considerable distress. [See "Deceit and U.S. Foreign Policy" in this issue.]

Thomas P. Elmore, a senior CIA officer who is chief of the political analysis branch in the Agency's Near East and South Asia division, is taking a sabbatical. He has been given a one-year chair as a "visiting fellow" at the conservative American Enterprise Institute for Public Policy Research in Washington. AEI's self-described mission is "to assist scholars, businessmen, policy makers, the press, and the public by providing objective analysis of national and international issues." His participation in the White House Executive Fellows program is paid for by the CIA.

After working with Army intelligence in Vietnam and 10 years in the CIA's Directorate of Operations, **Robert R. Simmons**, 38, was named staff director of the Senate Select Committee on Intelligence in October. Simmons "retired" from the CIA in 1979 at an uncommonly early age to become a legislative assistant to Republican Senator John Chafee of Rhode Island. He joined the Committee staff in early 1981. This may explain Chafee's zeal in pressing for passage of the Intelligence Identities Protection Act.

Max Hugel, 55, who served briefly as CIA Deputy Director for Operations—the job which without a doubt is one of the most pivotal in the entire government bureaucracy—has surfaced again. His six months at the CIA ended abruptly on July 14, 1981 after revelations that he had engaged in fraudulent stock manipulations during the 1970s. In a drab February 4 televised discussion with Daniel Schorr on the Cable News Network, Hugel allowed that he would not wish to do it over again. He said he was the victim of "leaks" from inside the operations directorate, apparently by those who wanted one of their own in the key slot. "Knowing what—what the situation—how the thing operates, I would not [take the job again]," he stammered. Having spent much of his adult life in assorted commercial pursuits, he has "just continued to be very active in the business world" in New York and Washington, but he is

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markedly secretive about his activities now. Due to the nationwide controversy surrounding him, Centronics Data Computer Corporation in New Hampshire, where he was executive vice president before joining the Reagan presidential campaign, has not taken him back. Reached by *CAIB*, Centronics said they had been "instructed" not to discuss Hugel with anyone. Several independent sources have related to *CAIB* that Hugel was totally out of his element for the 10 weeks he spent as Deputy Director for Operations, and was effectively excluded from the directorate's real inner circle by two of his subordinates, John Henry Stein, who replaced him as DDO, and Clair Elroy George, Stein's assistant. There is, however, still a legitimate question to be asked: Now back in the world of business and finance, is Max Hugel going to resist utilizing the highly-privileged information he gained on the inside about everything from international commerce to counterfeiting to *coups d'etat* and from the Caribbean to Southern Africa to the Persian Gulf and back again to the U.S.? He has already shown a propensity to yield to such temptations; why will he act differently now? Some observers, including one who knows Hugel personally, have suggested that his good friend, Director of Central Intelligence William Casey, may occasionally still rely on him for certain proprietary business operations, especially in Asia, where Hugel wheeled and dealed for many years. [See *CAIB* Number 13 for more background on Hugel.]

Former national security advisor **Richard V. Allen**, now a $190 per day "consultant" to the President's Foreign Intelligence Advisory Board, has not yet received full credit for all of his activities while still employed as Ronald Reagan's right hand man. One unnoticed item that should have been at least as worthy of scrutiny as taking bribes that were relatively small by Washington standards is his contribution to a recent South African publication. Allen wrote the introduction to Joseph Churba's book, "Retreat from Freedom," published by Howard Timmins Publishers of Capetown. Churba begins with the assertion, "Detente is dead and buried. It must be replaced." The book argues for a two-pronged strategy: military escalation by the U.S. and NATO, coupled with a massive propaganda campaign aimed at the populations of the Warsaw Pact countries. Allen, in his introduction, calls Churba's book "indispensable," and describes the author as "one of our most incisive and skilled military intelligence analysts." Why, then, did Churba need to find a South African publisher to peddle his and Allen's insights?

Another most interesting appointment is that of **Jeremiah O'Leary**, veteran correspondent of the now defunct *Washington Star*, as "special assistant" to national security advisor William P. Clark. Replacing Richard Allen, Clark has become the point man for the White House offensive against the media, hoping also to stem the infuriating tide of leaks. O'Leary's ostensible switching sides is noteworthy because of his long and loyal service to the intelligence agencies. It is known, for example, as a result of documentation obtained through the Freedom of Information Act, that O'Leary was singled out personally by former FBI Director J. Edgar Hoover as a friendly media asset used by the Bureau to promote the stories it favored. Will he be continuing this cozy relationship from inside the government as Clark's assistant? —

Correction

In *CAIB* Number 10, on page 21, in the article entitled "Guyana: The Faces Behind the Masks," this statement appears: "Leo Ryan's name appears in 'Who's Who in the CIA' by Julius Mader." This was a reference to Congressman Leo J. Ryan of California who was killed in Guyana at the outset of the Jonestown massacre.

CAIB has learned that the person named in Mader's book is Leo John Ryan, born in 1923, while the late Congressman was Leo Joseph Ryan, born in 1925. We regret this error, and thank the Jonestown Research Project of Philadelphia for pointing this out. —

Grenada:

Nobody's Backyard

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Sources and Methods (continued from page 60)

to "Military Compound 19" at Sverdlovsk as they straightened out their stories), and a reference to the 1957 nuclear accident in the Urals described by Soviet dissident scientist Zhores Medvedev.

It wasn't until the following March that the story was issued in the U.S., timed to coincide with a meeting in Geneva to review the accords banning biological warfare—first in a release from the State Department, followed shortly by testimony of a Russian emigre witness, "Mr. Popovsky," before a House Intelligence subcommittee. A report by a Paris-based Russian emigre paper was published and distributed by Freedom House, and the charges flew thick and fast while the Soviet explanation—a natural outbreak from diseased meat—met scorn.

Harvard University geneticist Matthew Meselson, who had advised the Arms Control and Disarmament Agency on chemical and biological warfare for ten years, considered the Soviet explanation plausible and the U.S. charges unlikely. But it was Zhores Medvedev, whose name had been invoked to lend credibility to the original *Now!* magazine story, who conclusively debunked the charge of germ warfare in the July 13, 1980 issue of *New Scientist*.

Medvedev traced the allegation to its source, a Russian emigre publication in Frankfurt, which had itself acknowledged that its original report was mistaken. He then explained why the corrected stories also could not support the germ warfare suspicion:

"If any outbreak of pulmonary anthrax (which the CIA suspects) is the result of the accidental explosion of an actual weapon (with a cloud of spores), then the stories that the epidemic continued for a month, with thirty to forty casualties per day, could not have been true. Pulmonary anthrax develops a few hours after the infection has been inhaled, and the disease continues for only two to three days. Death is almost inevitable—not within three to four hours as reported, but two to three days. Intestinal anthrax is also lethal; death is usually within one to six days after infection. If the epidemic really lasted for a month, then the pulmonary form could have been present only during the first few days, and not later."

Despite Medvedev's categorical conclusion—"it is not reasonable to use arguments about the tragedy in Sverdlovsk to revive germ warfare preparations or chemical warfare research and production"—the U.S. has continued to do precisely that. Colonel Charles H. Bay, commander of the Dugway Proving Ground in Utah (where the U.S. nerve gas arsenal is stored), argued in the December 1980 *Parameters*, the journal of the U.S. Army War College, "The Sverdlovsk incident stands as evidence that the United States was unsuccessful in its quixotic efforts to impose biological warfare restraints on the Soviet Union." He concludes that the U.S. should expand its stockpile of chemical weapons.

Unclassified Report Suppressed

A recent unreported episode indicates the degree to which the U.S. government sees the double-edged propaganda potential of an incident of this sort. Last May the General Accounting Office prepared a report titled "Review of Matters Relating to U.S. Army Laboratories and Research Activities in the San Francisco Area (HRD-81-98)." It analyzed allegations that unauthorized biological research was being conducted at Letterman Army Institute of Research (LAIR) and that an outbreak of fever linked to LAIR research activities had occurred among the staff. The report concluded that there was "no evidence of unauthorized research" and that "eight persons working at the LAIR facility were diagnosed as having contracted Q fever" from sheep that were housed in the LAIR facility for use in Letterman Army Medical Center's clinical research. Q fever is not unusual among people who handle sheep, said the study. The report concluded that the suspicions of impropriety were groundless.

Then a curious thing happened. The report was suppressed. It was sent to Congress on May 29 and contained no classified information, nor any that could even be reasonably construed as embarrassing. Yet when *CovertAction Information Bulletin* asked for a copy in October, five months later, our request was denied. The GAO told us the report was "Restricted," and we were unable to obtain it until January. The only reasonable conclusion is that the epidemic of Q fever at LAIR could be subject to the same type of misconstruction as the outbreak of anthrax at Sverdlovsk. Presumably by postponing release until the document was relatively "old" there was a reduced risk of any sort of media scrutiny.

It is well to remember, as we reflect on these matters, that since the ban on biological weapons went into effect in 1975, the only proven violator has been the U.S. The very first public hearings of the Senate Select Committee on Intelligence (the Church Committee) disclosed the unauthorized storage of toxic agents by the CIA, shellfish toxin and cobra venom. ■

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CAIB is pleased to announce the hardcover publication of its first bound volume, containing original copies of issues 1 through 12, plus the complete, detailed index of everything which appeared from our first issue in July 1978 through Number 12, April 1981. The volume, in a cloth, library-quality hard binding, with gold-stamped spine, will be sold to libraries and other non-subscribers for $55.00; *CAIB* subscribers may purchase it for $45.00, postage (in the U.S.) included. Overseas subscribers must add $2.00 for surface postage. (Overseas airmail rates, unfortunately quite high, are: Mexico, Caribbean and Central America, $7.00; Europe and South America, $12.00; all other, $17.00.)

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Sources and Methods

Germ Warfare Disinformation

By Ken Lawrence

Phony allegations about the U.S.S.R.'s chemical and biological warfare capabilities are not new for the worldwide disinformation network operated by the CIA—the "mighty Wurlitzer," as the late CIA Deputy Director for Plans, Frank Wisner, called his creation.

One old example is contained in the famous best-seller *The Penkovskiy Papers* (Doubleday, 1965), ostensibly written by Oleg Penkovskiy, a Soviet intelligence officer who worked as a spy for the CIA and MI-6. Actually the book was a CIA fabrication. The CIA ghostwriter has Penkovskiy say, "I know a new gas has been invented which is colorless, tasteless, and without odor. The gas is avowed to be very effective and highly toxic. The secret of the gas is not known to me. It has been named 'American'; why this name was chosen, I can only guess."[page 249] He goes on to say that Soviet officers are trained in first-strike use of chemical weapons and that the decision whether to use them is the field commander's.

A more recent campaign of this type was launched in 1979, seizing upon a Soviet misfortune and turning it into false and malicious cold war propaganda. The incident was an outbreak of anthrax in the eastern Ural city of Sverdlovsk.

The opening blow in the propaganda campaign was struck by the now-defunct British news magazine *Now!*, a publication that seemed to be a hybrid of *Time* and the *National Enquirer*. The cover of *Now!*'s October 26-November 1, 1979 issue screamed, "Exclusive: Russia's Secret Germ War Disaster." Although supposedly based on an eyewitness account, the essential details of the story were entirely wrong. *Now!* placed the outbreak in Novosibirsk, about 1,000 miles to the east of Sverdlovsk, during June (the actual tragedy was in April). Otherwise all the elements were in place—wild speculation about the type of agent that could have caused "the skin markings seen on the victims," reference to a secret research center (which had to be moved by later propagandists from the Siberian branch of the Soviet Academy of Sciences in Novosibirsk

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